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NEWS SUMMARY

GENERAL

**Milk
tankers
may cart
water**

Shedders from the milk industry are to cart water to drought-stricken south-west. Denis Howell, Drought Minister, said.

Also asked the Navy to use a plan to use idle ships to transport water and a team of Vice-Admiral Gordon Tait, Officer Plymouth, is studying how to bring water ashore.

Long-range forecast for summer from the Meteorological Office said dry weather and a hole is expected with one or two spells of rain. Back Page

**elder queries
meanness**

ter, the housing association, that figures released by Department of the Environment seriously underestimate the level of homelessness, re show that since 1970 the number of families becoming homeless in England has risen. However, many council admit they do not record it as homeless if they are away; incomplete returns that one family in four and children is not

h wealth

funds of the Central Bank of the Church rose in value during the year to May 31 from £4.4m, a report said.

ar waste

al Radiological Protection and the Government's on public exposure to has proposed a comprehensive examination of practice the management of wastes in Britain.

at ment

ation-conscious British about £700 worth of in his wardrobe, a poll the Lord John boutique claims.

as alert

have set up an incident at St. James's hospital, one of Europe's biggest, five unexplained fires.

at shortage

products are reported to be in short supply in East German travellers from Poland report queues at butchers and market meat counters, 30, part of the staple diet, running a rarity. Page 6

ver delays

to holidaymakers less considerably, although sh air traffic controllers continuing their go-slow.

ple and ...

Gertrude Clarke, widow of d Clarke, the man who built record company His Master's left Elm. She died in June 86.

Sampson, former Eoku lla, was sentenced by a court to 20 years in jail for part in the coup which hrow President Makarios ears up. Page 6

Greig is to contain MUC in Ken Barrington is ger.

Stevens blew 192 smoke from one cigarette puff; on Weitzel kept 28 inches for happier. George Walters d an accordion onstop for ours 20 minutes; and Ray r made a speech which d 29 hours 12 minutes 30 ds — all claiming world ds for the Guinness Book of rds.

places

Kong: The Royal Observa- was flooded with reports a mysterious flying object been seen over the colony.

ey: The 5,795th and last de of the radio serial Blue has been recorded. It d in February, 1949.

GIEF PRICE CHANGES YESTERDAY

RISERS		FALLS	
m. Bk. Aust.	350 + 10	Acrow "A"	54 - 2
ong & Shun. Bk.	313 + 12	Barclays Bank	24 - 2
me Matheson	353 + 13	Copper-Nell	130 - 3
ne Lamp	887 + 8	Colten (A.)	98 - 4
ever	405 + 8	Electrocomponents	355 - 5
transport	363 + 8	Glenn	190 - 3
merican	210 + 20	Hambros Life	154 - 0
ontinent	370 + 23	Johnson-Richards	180 - 4
cond	390 + 20	McCorquodale	141 - 2
ain	512 + 1	Ltd. Newspapers	230 - 4
Co.	787 - 72	Vibroplant	83 - 3
ntinent	512 + 1	BH South	216 - 19
		RTZ	168 - 3

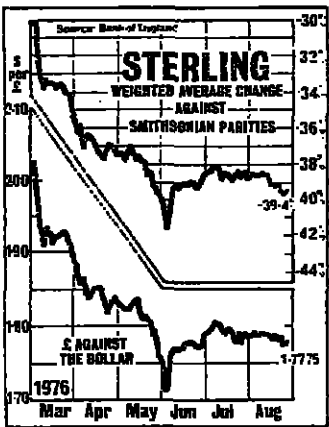
BUSINESS

**Equities
climb
back
over 350**

● EQUITIES were unsettled, but early losses were reduced. The FT 30-share index, after falling to 358.3, ended 1.2 lower at 350.8. Falls led rises in industrials by 7.2. Against the trend, the Oils sector rose 1.7 per cent to 354.44.

● GILTS were firmer in this trading.

● STERLING rose 70 points to \$1.7775, while its weighted depreciation narrowed to 39.4 (39.7) per cent. The dollar's



weighted average was 2.31 (2.32) per cent. The French franc closed at Frs.4.9310 (Frs.4.9075) against the dollar.

● GOLD fell \$1 to \$1041.

● WALL STREET closed 4.82 higher at 973.74.

**Move to extend
\$5.3bn. credit**

● THE GOVERNMENT will formally seek to extend the \$5.3bn. central bank standby credit for a further three months, though a decision on what will happen after the facilities run out in early December may not be taken until after mid-October. Back Page

● LANCASHIRE textile leaders hope to meet the Prime Minister when he visits the North-West later this week to put their case for temporary restrictions on the import of some cotton yarns and fabrics. Page 8

● LEYLAND CARS, already suffering disputes at three of its Midlands plants, faces a threat to its component supplies because of a strike by Lucas group electricians. Page 9

● BURMAH OIL received \$25m. from the Government, the final settlement of a deal which gives the British National Oil Corporation a majority stake in the company's share of the Thistle Field and other North Sea assets. Back Page

● ALCAN is raising its aluminium ingot prices by 15.24 to 2579 a tonne, its second increase in less than two months. Back Page

● JAPAN was one of only 10 countries which imported less from the U.K. in 1975 than in the previous year, while her exports to Britain rose sharply. Steps are being taken to adjust the imbalance. Page 4

● COUTINHO CARO, the large Hamburg-based group of international metal merchants, warned that a real recovery in the steel market until next year. Page 17

COMPANIES

● IMPERIAL METAL Industries pre-tax profit in the six months to June 30 jumped to £10.2m. (£5.8m.). Page 15 and Lex

● LADBROKE GROUP first-half pre-tax profits were a record £5.98m., an increase of 18.1 per cent on the same period last year. Page 14 and Lex

● BARLAND and Wolf, the East shipbuilder, has a 2.8m. loss last year but is on course to keep its total deficit on the present order book within the £60m. limit set by the Government. Page 14

**Kissinger steps up
criticism of South
Africa race policy**

BY JUREK MARTIN, U.S. EDITOR, WASHINGTON, August 31

Dr. Henry Kissinger, U.S. Secretary of State, to-day stepped up his criticism of South Africa's racial policies, just four days before his talks in Switzerland with Mr. Vorster, the South African Prime Minister.

Nobody, Dr. Kissinger said in a speech in Philadelphia, challenged the right of white South Africans to remain in their country. "But South Africa's internal structure is incompatible with any concept of human dignity."

The recent clashes in the republic were "dramatic evidence of the frustration of black South Africans towards a system that denies them status, equality and political rights. No system that leads to periodic upheavals and violence can possibly be just or acceptable—or can last."

At the same time, Dr. Kissinger argued strongly that South Africa had shown itself willing and able to play a constructive role in the search for negotiated settlements in Rhodesia and Namibia, and that the U.S. believed there was "common ground" for further progress.

Dr. Kissinger has been under fire from black Americans for not speaking out vigorously enough on the internal unrest in South Africa in recent weeks.

Last week, a delegation of prominent blacks, led by the Rev. Jesse Jackson, had private talks with him on the subject.

Dr. Kissinger's choice of his audience for today's speech may be seen as a reflection of this concern (the addressed participants at an industrial training centre for young blacks run by

Dr. Leon Sullivan, the Philadelphia clergyman who also sits on the Board of General Motors). Dr. Kissinger promised that in his talks with Mr. Vorster in Zurich this week-end he would argue the U.S. belief that South Africa must change its internal policies.

But he was at pains to stress that in his view, recent South African commitments to decide whether South Africa had met UN demands on the territory, was adjourned until later this month.

The Secretary of State did not minimise the difficulties that lay ahead. Namibia, he said, "will not be removed from the world's agenda of crisis until a means and a forum are found for working out Namibia's political future on the basis of participation by all authentic groups."

While sympathising with the black African desire for "rapid solutions" in both Rhodesia and Namibia, Dr. Kissinger again counselled the policies of moderation ("violence will only escalate bloodshed and lengthen, rather than shorten, the road to the goal").

More specifically, he said that "black nationalist groups competing for power must bridge their differences if there is to be any progress."

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Namibia at UN deadline

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**Irish Parliament begins
anti-terror laws debate**

BY KEVIN DONE

DUBLIN, August 31.

THE SPECIALLY-recalled Irish Parliament yesterday began urgent discussion of the Government's tough new package of anti-terrorist laws.

It was told by Mr. Liam Cosgrave, the Prime Minister, that the security of the State was seriously endangered. The Government should be enabled to take "emergency powers" to "crush the armed conspiracy against lives and democratic Government which faces the nation."

The proposed declaration of a State of Emergency is being challenged by Fianna Fail, the Opposition party.

Mr. Jack Lynch, the Opposition leader, described it as "another propaganda exercise and a flagrant example of window dressing," harmful both to international opinion and the Government's Northern Ireland policy.

Fianna Fail has decided only to oppose the declaration of a State of Emergency and therefore the Emergency Powers Bill, the main provision of which would extend the period of custody without charge from 48 hours to seven days.

But Fianna Fail will give general support to the Criminal Law Bill which takes in the rest of the package, while seeking amendments on certain sections.

The debate is expected to last at least two weeks.

The first part of the Government's resolution seeks to annul the State of Emergency declared in 1939 on the outbreak of World War II, which has never been repealed. It has lain dormant since 1949.

The new resolution specifies the "armed conflict now taking place in Northern Ireland" as causing the "national emergency affecting the vital interests of the State."

Mr. Cosgrave, who was listened to without interruption by a crowded Dail (Lower House), said that "the crimes perpetrated by the men of violence have brought discredit to the name of Irishmen throughout the world and death and damage to our own people. Our past has been devastated and our future threatened by their outrages."

The message had to be spelled out clearly that the Government and the security forces were pledged to "break and end once and for all of this conspiracy of hate and evil."

The Prime Minister made it clear that the Government had been pushed towards the

package of harsher laws by two specific events — the assassination of Mr. Christopher Ewart-Byng, the former British Ambassador, and Miss Judith Cooke, a private secretary at the Northern Ireland Office in July, and the bomb attack on the Special Criminal Court in Dublin a week earlier.

They represented the culmination of a long series of violent crimes perpetrated within the State, but related directly or indirectly to the situation in Northern Ireland.

The Government struck at the fundamental functions of the Government, the conduct of international relations, and administration of justice.

He catalogued the "enormous" toll in lives, in injuries to people and in the destruction of property caused by the armed conflict in Northern Ireland.

Since 1969 more than 1,600 people had lost their lives, while more than 15,000 had suffered injuries. Except for 1972, the level of deaths and injuries as a result of violent attack was now higher than in any year since the conflict began.

"On average, every day this year has seen one murder, four injured in terrorist attacks, two

Continued on Back Page

**Greek shipping lobby persuades
Inland Revenue to drop demands**

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE INLAND Revenue has withdrawn tax demands on the overseas profits of some 15 Greek shipping companies with London offices after several months of local argument and determined lobbying on behalf of the Greeks.

The move relieves a number of leading Greek shipowners who had been prepared to move their residences and representatives out of London if the tax threat were not removed. Greek ship-owning companies are run as to avoid the obligation of paying tax on profits to any country.

The Inland Revenue is understood to have argued that shareholders were owned and controlled from the London

offices of the Greek owners, on whom assessments were made. Protection assessments sent out earlier, a year ago, had been created by a determination among shipowners who claimed that London's position as a world centre for shipping, with several hundred million pounds of revenue, would be at stake if the Greeks pulled out.

Several leading tax lawyers have been handling negotiations with the Inland Revenue while a Greek shipping concern tried to persuade the Government of the seriousness of the problem.

More recently, the Committee on Invisible Exports is believed to have advised a meeting with the Chancellor.

Although the Inland Revenue refused to comment on the matter yesterday, it is understood that the Greek companies' advisers were informed last Friday that the assessments would be withdrawn following a reconsideration of the law and the facts of the cases.

It remains to be seen whether the Inland Revenue has closed the matter, since its interest in Greek shipping profits started in 1974 with inquiries into the activities of some of the 150 Greek shipping concerns based in London. These inquiries were quickly dropped after strong protests from the Greeks, many of whom were still wondering last night whether Britain's tax authorities might set try another approach.

ON OTHER PAGES

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13 The police and Nottingham Hill

11 Holiday time in Whitehall

Barbados elections

A challenge to the Pope

**Councils
told
to save
more**

BY COLIN JONES

Local authorities will have to reduce their present rate of revenue spending by about 41 per cent in real terms if they are to keep within the guidelines for public expenditure in 1977-78. This warning has been given in a Government circular.

The spending cuts will call for a careful review of manpower requirements, but local authorities are asked to avoid redundancies in view of the generally high level of unemployment.

The circular states that a spending cut of about 1 per cent would have been necessary next year in any event. But a bigger reduction will now be needed in view of this year's prospective overspending.

Including rate fund subsidies for housing, this year's overspend is now estimated to be about £300m. at November 1975 prices.

After acknowledging the efforts that local authorities have made to curb their spending, the circular states that the prospective overspend is still too large for the Government to accept and asks for further savings in both revenue and capital expenditure during the remainder of 1976-77.

A reduction of at least 100m. is suggested, would make it less difficult for councils to bring their spending into line with the projected level for 1977-78.

The appeal is backed with a warning of reductions in the Exchequer grant that councils can expect to receive both this year and next.

The effect of the appeal is likely to be somewhat muted, however, by the request to local councils to avoid redundancies.

According to the circular, the expenditure savings required in 1976-77 "should be capable of achievement without any significant diminution in the number of jobs."

To achieve the further savings required to get back on course in 1977-78, local authorities are advised to consider postponing recruitment, voluntary early retirement, the sharing of staff between and within authorities, and a review of services provided by contractors as alternatives to redundancies.

Unions to fight cuts Page 9

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**Ministers to
study city
race problems**

BY RICHARD EVANS AND ELINOR GOODMAN

A GOVERNMENT reappraisal of the problems of inner-city areas is likely to be speeded up because of the Notting Hill Gate riots. The Prime Minister had already set in train a major investigation of urban problems, together with racial tensions, in British cities.

For some time, Mr. Callaghan has been thinking of setting up a committee of junior Ministers, under the overall charge of a member of the Cabinet, to co-ordinate Government policy towards deprived urban areas.

The intention would be to have much closer contact between Government Departments on measures for dealing with areas of high stress like Notting Hill.

All Departments with any responsibility for urban areas, including the Environment, the Home Office and Health and Social Security, would be represented on the committee.

Mr. Brynmor Jones, Minister of State at the Home Office, yesterday met senior police officers who gave a report on the disturbances. He has asked for a fuller report from Sir Robert Mark, the Commissioner of Metropolitan Police.

Sir Robert yesterday rejected criticism that Monday's violence was aggravated by the presence of too many police.

It was the police's job to prevent crime and there was no question of abdicating this responsibility. There would be no "no-go" areas within the Metropolitan Police District, he stressed.

Society To-day: Page 12

Hangover at Notting Hill, Page 7

after the General Election of February, 1974. But the post was quietly phased out after the election in the following autumn.

The riots—which led to 60 arrests, including women and juveniles—were generally seen as underlining the tense nature of relations between police and blacks in London.

The Community Relations Commission said that incident showed the extent to which many were seen as a serious setback to race relations in this country, since whatever the police and brought calls for a thorough investigation into the causes of antagonism among black people, and how to handle situations involving them.

As the debris was cleared up in Notting Hill Gate yesterday, many black people criticised the Home Secretary to order an inquiry into the causes of people on duty unnecessarily.

Mr. Cecil Guxmore of the Black Information Centre said that the festival had been held without serious incident until this year. The Metropolitan Police were therefore responsible for "stepping up an operation bound to provoke trouble."

The police said that the number of police on duty at the carnival on Monday had been increased to 1,500 from between 150 to 200 at last year's carnival. This was to cope with the larger crowds—an estimated 150,000 people of whom 800 were described as hooligans—and to try

to prevent damage to the rioting.

Twenty-six policemen were still detained in hospital, three of them seriously hurt.

Thirty-five police vehicles, four ambulances, two British Transport cars and four private cars were damaged in the rioting.

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WORLD TRADE NEWS

Japan 'to adjust' U.K. trade gap

BY CHARLES SMITH

TOKYO, August 31.

THERE WERE "well-grounded" criticisms in Britain last year of the reasons for the fall-off in U.K. exports to Japan, according to a White Paper on Japan's foreign trade, published today by the Japan External Trade Organisation (JETRO).

JETRO, which is an official body originally formed to promote exports but now concerned with two-way trade relations, says Japan must try to maintain a "proper" level of exports to the U.K. to avoid a crisis in bilateral relations.

The White Paper adds that Japan was one of only 10 foreign countries which imported less from the U.K. in 1975 than in the previous year. The reason for the fall was Japan's domestic recession, but the decline in U.K. sales to Japan (3.3 per cent. from a year earlier) contrasted sharply with the 1975 rise in Japan's exports to Britain (17.8 per cent.) and the recovery of British exports during the year to most markets other than Japan.

The JETRO White Paper lists Japan's major exports to the U.K. giving their percentage share of total British imports of 1975. These are: textiles (22.6 per cent.), motor cycles (22.6 per cent.), TV sets (21.4 per cent.), TV tubes (11.6 per cent.), zip fasteners (80.5 per cent.), ball bearings (11.5 per cent.).

The list runs as follows: Passenger cars (21.8 per cent. of total U.K. imports), motor cycles (22.6 per cent.), TV sets (21.4 per cent.), TV tubes (11.6 per cent.), zip fasteners (80.5 per cent.), ball bearings (11.5 per cent.).

These were the subject of dumping charges by the British last year. The charges were not pursued after Japanese exporters announced substantial price increases for their products but the British

tube industry has alleged that Japan was "partially" to blame for the closure of the Thorn Group's Skelmersdale tube factory last winter.

The conclusions of the JETRO report are that trade relations between Japan and the U.K. can improve gradually if Japan exercises caution on exports and if the U.K. can remove bottlenecks in industries supplying the Japanese market.

On a practical level the Japanese Government is now moving to assist British and other European exporters by setting up a committee to explore the ways in which European businessmen sell their goods in Japan and to identify possible new export lines.

The committee, which starts its meetings next month, will be chaired by a JETRO executive and will include representatives from the association of Japanese department stores and from the major trading houses. EEC Embassies in Tokyo have been asked to submit lists of products their countries would like to sell in Japan.

The committee is, strictly speaking, a resuscitation of a body to promote imports from Europe which was set up in 1973 when Japan was going through its last attack of conscience about its trade surplus with the EEC.

To that extent its re-establishment may be only a sign that Japan is retreating a familiar ground in its external trade policies.

However, European Embassies in Tokyo seem to feel that the tap is now being turned on so that a new era of trade is being opened up with the results that could show up in the figures later this year.

Britain's exports to Japan rose 11 per cent. during the first seven months of 1976 to £200m. after having declined in 1975. Japan's exports to the U.K., however, were up 12 per cent. during the same period and hit a new record of \$410m.

British exports to Japan are not likely to have done well during August so the bilateral trade gap can be expected to widen further in the immediate future.

AMERICAN NEWS

Carter promises special action on unemployment

BY DAVID SELL

WASHINGTON, August 31.

MR. JIMMY Carter today sharply criticised the Republicans for allowing both unemployment and inflation to climb to record levels in the past few years.

The Democratic candidate, who also met Senator Edward Kennedy and a number of Catholic bishops who have taken issue with him over abortion, told the national council of the AFL-CIO that at 7.8 per cent., unemployment in the United States was still higher than at any point between the depression and Mr. Ford's inauguration. The inflation rate, meanwhile, was higher than at any time between 1952 and 1968.

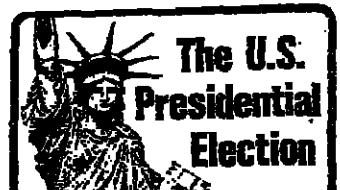
Unveiling a theme which will no doubt be heard often in the weeks ahead, Mr. Carter said: "We have a Government which is limited in ability, timid in leadership and afraid of the

future. We have an administration that uses the evil of unemployment to fight the evil of inflation and succeeds only in having the highest combination

known to be particularly concerned about reducing unemployment among black teenagers, currently running at some 45 per cent.

On inflation, he said he would establish new machinery to anticipate economic bottlenecks and shortages, place more emphasis on the need to increase productivity, establish a food reserve system that would help stabilise food prices, and pursue a "vigorous anti-trust policy that would help push efficiency up and non-competitive prices down."

Mr. Carter also returned to another favourite issue—the alleged unresponsiveness of the Federal Reserve Board. As before, he called for the terms of the chairman and president of the Board to be controversial and said there was an "urgent need" for the Fed to coordinate its policies better with those of the Administration.



of unemployment and inflation in the 20th century."

To remedy this he proposed a set of "comprehensive" but largely unspecified programmes whose chief aim would be to "reduce unemployment among those groups and in those geographical areas where it is highest."

Mr. Carter remained vague about these plans but he is

Controversy over \$350m. Peruvian credits

By Hugh O'Shaughnessy

CONTROVERSY continues to surround the Peruvian Government's plan to raise \$350m. in the world's financial markets, though official spokesmen say that the amount offered by major banks in Europe, the U.S. and Japan will allow Peru to overcome the particular difficulties affecting it this year.

The Peruvian authorities have denied reports that the credits, arranged in July and subject to Peru agreeing to allow the lenders to monitor Peruvian Government policy, are likely to be withdrawn.

Reports to this effect were circulated last month after speculation in the U.S. Press that Peru was about to purchase military aircraft from the Soviet Union for about the same amount as it was borrowing on world financial markets. Spokesmen for the Government of General Morales denied that Peru had ordered Soviet aircraft.

Spokesmen said that Peru was looking at British, French, U.S. and Soviet aircraft to modernise its ageing fleet but that it had not decided which models to purchase. The Peruvian decision to modernise its aviation and buy 36 new aircraft comes when Chile is beginning to tax Peruvian aircraft.

Domestically, General Morales and his Economy Minister Dr. Luis Barria Castañeda have had to counter communist left wing and nationalist groups who have complained that the terms of the big international loan are too demanding for Peru. Dr. Barria has said that the loan was indispensable for Peru at a time when its balance of payments was seriously in the red but he has added that the lenders did not dictate the terms of the loan.

Meanwhile, the Trade Minister General Luis Ariza Grajales has forecast that the trade balance will improve notably this year with a reduction in the amount of food needed to be imported, an increase in the volume and prices of main exports and the coming into operation of the trans-Andean oil pipeline which would allow oil from the Amazon jungle to be used to the full in the coastal region of Peru with consequent savings on oil imports.

General Morales has laid emphasis on the importance of his forthcoming meeting with General Ernesto Gisel, the Brazilian president, details of which are being worked out. There is also speculation that there will be some meeting between General Morales and General Augusto Pinochet of Chile.

U.S. marine insurance companies complained yesterday that the Soviet Union has excluded them from insuring U.S.S.R. trade shipments, cost the companies a chance to compete for about \$15m. in insurance premiums since 1972.

Indonesian LNG agreement near

BY DOUGLAS RAMSEY

TOKYO, August 31.

INDONESIA and Japan have reportedly reached agreement on the import price for liquefied natural gas (LNG) from the East Kalimantan and North Sumatra gasfields. But negotiations about the shipping cost component of that price are still going on here today with executives of Burmah Oil, which is contracted to ship the gas, and General Dynamics of the U.S., which is building the LNG carriers for Burmah.

A spokesman for Burmah in Tokyo refused to comment on the talks, but said Burmah expects they will finish in "two or three days" with a final agreement.

The agreement between Japanese buyers and Pertamina, Indonesia's state oil company, is expected to mean the final go-ahead for the project which involves Japanese finance for developing the Indonesian gasfields, with Japan taking 7.5m. tons of LNG a year for 25 years starting in March, 1977.

Last June, a major obstacle was cleared when Japan agreed to extend a further \$370m. in credits to the gas project, above and beyond the \$1.1bn. agreed in 1974. Jakarta has now said it will ask for no more credit finance from Japan, but felt that price are still going on here today with executives of Burmah Oil, which is contracted to ship the gas, and General Dynamics of the U.S., which is building the LNG carriers for Burmah.

The talks which began here last week were aimed at fixing an import price, e.g., for the Japanese users which include Nippon Steel, Osaka Gas and three utilities. Reports circulating at the week-end said that an import price of \$2.35 per million British Thermal Units (BTUs) had been agreed between the two countries. Calculated at that price, however, is a shipping cost of 35 cents per million BTUs, or a 14 per cent. increase on the price tentatively agreed earlier with the carriers, Burmah Oil. Talks with Burmah are still going on, presumably with Japan and Indonesia attempting to get

Burmah's assent for the deal which almost certainly involves less for shipping the LNG than Burmah wanted.

But even Burmah's assent may not clear away the last obstacles to the deal. Final agreement has still to be reached with General Dynamics on the ship-builder taking the equity in the five LNG carriers earmarked for the Indonesia to Japan trade.

Under the agreement, the Saudi Research and Development Corporation (REDEC), headquarters at Djeddah, is to finance a number of industrial development projects in Syria. Two major projects are currently being implemented by the Syrian Government at the time when the agreement was signed by Sheikh Ghaith Rasheed Pharaon, chairman of REDEC.

These two projects are an electricity generating plant and an oil refinery at Basijah on the Syrian coast. The Syrian government both finance and own 55 per cent. of the first project, REDEC will have 30 per cent. and CIT Alcatel, the French company operating the project, 15 per cent.

The oil refinery will have an annual capacity of 6m. tons of crude oil—51 per cent. of the projects will be financed and owned by the Syrian Government and 48 per cent. by REDEC. The refinery is currently under implementation by industrial export of Romania.

The agreement provides also for the financing by REDEC of a number of other industrial projects in Syria which are currently under study. These include Razzak Kurdi, REDEC representative in Syria, these projects are a plant for assembling road construction equipment, a ceramic and sanitary equipment factory, a lift assembly plant, a furniture factory, a project under construction of a phosphorus gypsum, and an asbestos cement pipes venture.

The agreement also stipulates that the two parties may consider further projects in the future. This is a "renewable" partnership which is a very important turn in Syria's development policy. Economic circles here estimate that the facilities provided by the Syrian Government to REDEC are unique and unprecedented.

The forecast also that the Government is willing to reach similar agreements with other Arab and foreign private investors.

Trade turnover between the Germans rose ten per cent. in the first half of this year to DM13.8bn. of which West Germany imported DM1.9bn.

AEG Korean order

AEG-Telefunken has received a contract from Hyundai Shipbuilding and Heavy Industries of South Korea to supply the cranes and deck machines for nine freight ships being built for Kuwait. The contract, which includes all the electrical equipment and electronic controls, was valued at DM28m. by AEG. The equipment for the first five ships is to be finished by January 31, 1977. This is the third AEG order from Hyundai. The previous two have a combined value of DM50m.

Only Dr. Eric Williams of Trinidad and Tobago, and Mr. Robert Bradshaw of St. Kitts-Nevis, among the Commonwealth Caribbean leaders have enjoyed a longer period of uninterrupted power than Mr. Barrow, but indications are that he and his party face their strongest challenge yet on the island.

Already this year the only Parliamentary opposition party, the Barbados Labour Party (BLP), has taken one seat from the Government in a by-election, while the DLP has increased its majority, while the DLP has been shaken by the resignation from the party of a junior Minister, Mrs. Gertrude Eastmond, the only woman in the House of Assembly.

On the surface, Mr. Barrow and his supporters are putting on a brave face. They take comfort from the fact that, in 1971, they won a two-thirds majority (18 seats to six) despite pre-election polls which suggested the voting would be very close. They claim that by-elections mean nothing, and that when the issue is one of who will govern the country, the people will back the DLP simply because of its impressive record over the past 15 years.

There can be no doubt that Barbados, despite its many natural constraints, has made noticeable economic and social progress under Mr. Barrow's governments.

Once almost totally dependent on the size of its sugar crop, the island now has a far more diversified economic structure. Tourism has made great strides in the past decade and, without causing many of the dangerous

Saudi group signs \$1bn. Syrian deal

By Louis Fares

DAMASCUS, August 31. A MAJOR industrial co-operation agreement worth \$1bn. has been concluded recently between the Syrian Government and a private Saudi investor, according to well-informed sources here.

Under the agreement, the Saudi Research and Development Corporation (REDEC), headquarters at Djeddah, is to finance a number of industrial development projects in Syria. Two major projects are currently being implemented by the Syrian Government at the time when the agreement was signed by Sheikh Ghaith Rasheed Pharaon, chairman of REDEC.

These two projects are an electricity generating plant and an oil refinery at Basijah on the Syrian coast. The Syrian government both finance and own 55 per cent. of the first project, REDEC will have 30 per cent. and CIT Alcatel, the French company operating the project, 15 per cent.

The oil refinery will have an annual capacity of 6m. tons of crude oil—51 per cent. of the projects will be financed and owned by the Syrian Government and 48 per cent. by REDEC. The refinery is currently under implementation by industrial export of Romania.

The agreement provides also for the financing by REDEC of a number of other industrial projects in Syria which are currently under study. These include Razzak Kurdi, REDEC representative in Syria, these projects are a plant for assembling road construction equipment, a ceramic and sanitary equipment factory, a lift assembly plant, a furniture factory, a project under construction of a phosphorus gypsum, and an asbestos cement pipes venture.

The agreement also stipulates that the two parties may consider further projects in the future. This is a "renewable" partnership which is a very important turn in Syria's development policy. Economic circles here estimate that the facilities provided by the Syrian Government to REDEC are unique and unprecedented.

The forecast also that the Government is willing to reach similar agreements with other Arab and foreign private investors.

Trade turnover between the Germans rose ten per cent. in the first half of this year to DM13.8bn. of which West Germany imported DM1.9bn.

AEG Korean order

AEG-Telefunken has received a contract from Hyundai Shipbuilding and Heavy Industries of South Korea to supply the cranes and deck machines for nine freight ships being built for Kuwait. The contract, which includes all the electrical equipment and electronic controls, was valued at DM28m. by AEG. The equipment for the first five ships is to be finished by January 31, 1977. This is the third AEG order from Hyundai. The previous two have a combined value of DM50m.

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Foreign banking laws endorsed

BY STEWART FLEMING

NEW YORK, August 31.

THE FEDERAL Reserve Board and the U.S. Treasury today separately endorsed foreign banking legislation which has been passed by the House of Representatives. Both, however, proposed important modifications which if implemented would have the effect of reducing the prospect of retaliation abroad against what many foreign bankers feel to be discriminatory regulations.

Mr. George Dixon, Deputy Secretary of the U.S. Treasury, testifying before the Senate Banking sub-committee, said that existing operations of foreign banks currently in the U.S. should be permitted to continue indefinitely. At present the Bill proposes that they should be

closed down within ten years to bring foreign banks in line with U.S. banking laws which prevent commercial banks from operating as securities dealers.

The Federal Reserve Board has also favoured what is known as permanent "grandfathering" of foreign securities affiliates. However it has continued to support the requirement that foreign banks divestiture of securities affiliates within ten years.

The Fed's concern about possible retaliation from overseas, particularly by German banks, is indicated in its proposal to modify the securities provisions. At present they would affect foreign banks, such as those in Germany, which deal in securities in their domestic operations.

The Fed is proposing modifications to the House Bill to allow foreign banks to retain and acquire foreign non-banking assets, and in effect retain their securities business. Its position is that the U.S. should not, as the House Bill does, attempt to force foreign banks to divest their securities affiliates outside the U.S.

German banking organisations have been particularly concerned about this aspect of the U.S. Bill and have warned that in its present form it could force several German banks to close down in the U.S. The West German Banking Federation has said that the proposed bill violates the principles of reciprocity in international banking.

Meanwhile, the Trade Minister General Luis Ariza Grajales has forecast that the trade balance will improve notably this year with a reduction in the amount of food needed to be imported, an increase in the volume and prices of main exports and the coming into operation of the trans-Andean oil pipeline which would allow oil from the Amazon jungle to be used to the full in the coastal region of Peru with consequent savings on oil imports.

General Morales has laid emphasis on the importance of his forthcoming meeting with General Ernesto Gisel, the Brazilian president, details of which are being worked out. There is also speculation that there will be some meeting between General Morales and General Augusto Pinochet of Chile.

U.S. marine insurance companies complained yesterday that the Soviet Union has excluded them from insuring U.S.S.R. trade shipments, cost the companies a chance to compete for about \$15m. in insurance premiums since 1972.

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Recovery 'at pause'—Greenspan

By Our Own Correspondent

WASHINGTON, August 31. MR. ALAN GREENSPAN, President Ford's chief economic adviser, conceded yesterday that the economic recovery was now at a "pause" but said that he was still convinced that the slow-down was only temporary.

He said that the pattern of all economic recoveries is "pause, spur, pause, spur and we are in one of those pause periods." The factors underlying the recovery continued to be favourable and there was no evidence at all of the kind of deterioration which would give serious cause for concern.

Greenspan's remarks came at a heavily publicised cabinet meeting held to show Mr. Ford at his most Presidential. The meeting featured a number of comments by cabinet officers all designed to discredit recent remarks by Mr. Jimmy Carter, the President's chief economic adviser, who had said that the economy was in a "pause" but that he was still convinced that the slow-down was only temporary.

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Firestone investigations by U.S. Departments

BY JAY PALMER

NEW YORK, August 31.

FIRESTONE Tire and Rubber, the second largest manufacturer of tyres in the U.S. is apparently now under criminal investigation by both the U.S. Justice Department and the Internal Revenue Service.

The existence of these two parallel investigations were disclosed in papers filed with a Washington Federal Court. While the company confirmed that it was under investigation, it denied public the payment of questionable funds overseas. The tyre company said that it had paid out more than \$400,000 between 1970 and 1973, including at least \$300,000 out of a special political slush fund.

Mr. Justice's court statement specifically noted that "he has been contacted by representatives of the IRS, the Department of Justice and the Federal Bureau of Investigation" concerning an investigation into the company's financial practices.

In his court filing, Mr. Justice argued that the existence of these criminal investigations meant that he should not be forced to supply documents and other information sought by a special Firestone audit committee looking into the company's foreign payments. He claimed that he might in the circumstances end up incriminating himself.

Last June, Firestone joined the ranks of the many U.S. companies which have been accused of paying questionable funds overseas. The tyre company said that it had paid out more than \$400,000 between 1970 and 1973, including at least \$300,000 out of a special political slush fund.

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'Security treaty' hint as Sarkis visits Damascus

BY HSAN HAJAZI

BEIRUT, August 31.

TALKS held in Damascus to-day by the Lebanese President-elect, Mr. Elias Sarkis, with President Hafez Al Assad are expected to produce a profound impact on the overall Lebanese situation. The results, however, will not be felt immediately, they pointed out.

This was the first major contact by Mr. Sarkis since he was elected by the Lebanese parliament last May 8. To succeed President Suleiman Frangieh, whose six-year term in office will expire on September 23.

Mr. Sarkis, though eager to stay neutral between the rival factions in the seventeen-month-old civil war, is known to feel

that a Syrian role in Lebanon is essential for the time being. The President-elect's main concern, according to informed sources, is to put this role into a Lebanese official framework. Hence the speculations in political quarters that a "security treaty" may be sought between Syria and the regime of Mr. Sarkis as soon as he takes over office.

It is still open to question as to which official Lebanese authorities had asked the Syrian troops to enter Lebanon last June.

President Al Assad in his speech in July said Syrian troops will not be withdrawn unless a request is made to this effect by the Lebanese President.

Parliament, Speaker and Prime Minister.

The proposed treaty is intended to define the functions of the Syrian troops, including their size and locations on Lebanese soil, informed quarters said.

But the Lebanese Left-wing leader, Mr. Kamal Jumblatt, has warned Mr. Sarkis against concluding such a treaty with Damascus. Mr. Jumblatt, who has been conducting a systematic campaign against the Syrian military presence here, expressed confidence, however, that the Lebanese crisis will ease up as soon as Mr. Sarkis takes over from Mr. Frangieh.

Col. Mohammed Al Kholy, an aide to the Syrian president, denied Left-wing and Palestinian reports that Syrian reinforcements totalling 20,000 troops have been sent to Lebanon. "We are used to such exaggerations," he commented. Asked about speculations that Mr. Sarkis would discuss in Damascus the conclusion of a security treaty he replied: "This question should be addressed to Mr. Sarkis."

Meanwhile, Right-wing leaders met to-day to prepare their reply to the peace plan proposed by the Arab League mission here.

The reply is due to be submitted to Major General Mohammed Hassan Ghoneim, the commander of the Arab peace-keeping force, to-morrow.

The plan was reported to provide for establishment of an effective ceasefire and placing Arab forces in positions now held by the rival combatants at the confrontation lines.

Beirut radio said Syrian troops had been put on high alert. Informed sources said that leaders of Right-wing military organisations, backed by the Syrians, held an emergency meeting last night and an important decision "connected with the military situation" was expected.

UPI reports from Tel Aviv: Military sources said that Palestinian guerrillas slain in a shoot-out with Lebanese villagers were trying to force the local Arabs to stop co-operating with Israel.

All four Palestinians and three Christian villagers died in a half-hour shoot-out at a road-block outside Ein Ebel, four miles north of the Israeli border checkpoint at Dovev.

But a spokesman said the Palestinian Liberation Organisation had no information to confirm Israeli reports of a gun battle between Christian villagers and guerrillas at Ein Ebel.

New move to ease Korean tension

The American-led United Nations Command and North Korea yesterday held a long meeting behind closed doors to try and ease the tension which followed the killing of two U.S. officers by North Korean border guards on August 18. Reuter reports from Seoul.

The Command said only the secretaries of the chief delegates of both sides to the Military Armistice Commission met for two hours and 43 minutes at the truce village of Panmunjom where the incident occurred.

North Korea proposed a full meeting of the Commission on August 25 that the 500-metre-wide Panmunjom joint security area—scene of the killings—be partitioned to separate North Korean and UN Command personnel. The UN Command later said it was prepared to consider the proposal if North Korea gave assurances about the safety of UN troops.

Japan warning

Deputy Premier Takeo Fukuda warned yesterday that the Japanese economy would suffer if a political crisis over efforts to oust Prime Minister Takeo Miki, Reuter reports from Tokyo.

Meanwhile, a senior Finance Ministry official left yesterday for the U.S. and West Europe to defend Japan against charges that the yen is deliberately undervalued to boost Japanese exports.

Iran ambush

U.S. officials have confirmed that three Californian men killed in an ambush by Iranian gunmen were working on a top-secret electronic system capable of monitoring radio communications in the Soviet Union, an American source said yesterday, according to UPI reports from Tehran.

Meanwhile, Iran yesterday expelled the third secretary of the Swiss embassy in retaliation for similar action against an Iranian diplomat in Bern.

Cholera in China

A Hong Kong newspaper yesterday published what it said was a letter from a resident of the Chinese earthquake city of Tangshan saying it was ravaged by cholera, Reuter reports. The letter said 900,000 people among the city's population of more than a million may have been killed or injured in the disaster last month.

Uganda inquiry call

A UN committee yesterday demanded a full investigation into the human rights situation in Uganda, UPI reports from Geneva.

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Namibia at the UN deadline

BY STEWART DALBY

THE UN Security Council's deadline for South Africa to accept the independence of Namibia, to take steps to withdraw its troops, and to hand over the conduct of free elections to the UN, expires to-day.

It has not been met to the satisfaction of the UN itself, or of other parties, notably the South-West African People's Organisation (Swapo) the main nationalist party. Unless Dr. Kissinger's last minute diplomacy can avert it, the way is now open for a renewed Security Council debate in which many members will press for economic sanctions against South Africa itself and Swapo will step up its guerrilla war.

Yet in South African terms, what has so far been done here to meet the Security Council's demands are nothing short of revolutionary. In the year that has passed since it first met, the delegates to the South African-sponsored constitutional talks on Namibia's future have agreed on a date for independence — December 31, 1978 — and have

let it be known that they expect a multi-racial interim Government to be set up by next June both to draw up a constitution and to organise the dismantling of apartheid.

South Africa, however, will retain control of defence, foreign affairs and finance in the interim. It has been suggested that Mr. Dirk Mudge, the moderate white leader, will become Prime Minister, and Chief Clemens Kapu, the Herero leader, President.

The progress, albeit unsatisfactory, has in part come about because of the UN demands. It is also due to the fact that the black and brown delegations to the Turnhalle have in the last year developed some unity and muscle. As Dr. Benjamin Africa, leader of the coloured Easterns, said when it was suggested that the whites will try and retain power: "I do not see how that is possible now, we are forcing the pace."

The Turnhalle has also agreed that there should be a multi-racial university (although not multi-racial schools), equal pay for equal work (although not equality of job opportunity), and that there should be a con-

tinued breaking down of petty apartheid.

What the conference, which convened to-day, will now presumably try to do is work out some formula for representation in a legislature.

The current representation at the talks is bizarre and arbitrary. The Hereros, for example, who represent 6.6 per cent. of the population, have 44 delegates, while the whites with 11.6 per cent. have three representatives. The Coloureds, with 3.3 per cent. of the population, have 10 men at the talks, while the Namas with 4.3 per cent. have 21.

One suggestion has been that a legislature based on ethnic lines be set up. But since the Ovambos constitute 46.5 per cent. of the 800,000 population, any such constitution would automatically result in an Ovambo majority, which might be unacceptable to other groups.

Alternatives are for a legislature devised along geographic lines, with safeguards built in for minorities living in other ethnic areas. In this way the whites, who own 50 per cent. of the territory's arable land, would

safeguard their property rights. This, along with their concern to preserve their identity, which basically means the retention of the Immorality Act forbidding mixed marriages, was a key provision made at the Afrikaner-dominated Nationalist Party congress held here recently.

The rub is that whatever progress is made at the Turnhalle talks will almost inevitably be unacceptable to Swapo. The organisation has since 1973 been recognised by the UN as the principal liberation movement. The Organisation of African Unity (OAU) adopts the same position. Swapo wants a unitary state with UN supervised elections on a one man one vote basis of political parties rather than ethnic groups. While the organisation claims support from between 60 and 70 per cent. of the population, its rivals see it as basically an Ovambo movement. The strength of Swapo comes to a considerable degree from international recognition it has won as a sort of Government in exile. However, the movement itself is seriously split, with some of its members at present held in prison in Zambia.

PFLP leaders in Cairo

BY MICHAEL TINGAY

CAIRO, August 31.

REPRESENTATIVES of the radical Popular Front for the Liberation of Palestine stopped over in Cairo this week during a tour round the Arab world to mobilise support for the Palestinians in Lebanon as the conflict between Syria and the PLO continues.

Mr. Bassam Abu Sherif, who is the PFLP spokesman in Beirut, said he had not informed the Egyptian authorities before his arrival but they were aware of his presence. Sources close to Mr. Sherif agreed that normally any known members of the radical Front Group of Dr. George Habbash would not be permitted to enter Egypt.

Mr. Sherif denied that he had talked to Egyptian officials, but he is understood to have contacted at least one individual in the Egyptian Government whom

he has known for many years. Since June, a rift has been developing in the Palestinian movement in Lebanon between those which wish to compromise with Syria and those wanting to go on fighting Damascus. This rift, which has split at least one rejection front group the Popular Front General Command of Ahmed Jabril, has brought about a temporary rapprochement between Habbash's PFLP and moderate groups under PLO chairman Yasser Arafat.

Mr. Sherif said that the PFLP and PLO were obviously closer than for a long time. The PFLP spokesman said he had no hopes of Egypt extending its support to the PFLP and his main mission was to establish the commitment of radical Arab states to a long struggle in Lebanon.

Kuwait democracy pledge

KUWAIT, August 31.

KUWAIT'S PRIME Minister, assembly had obstructed his programmes. He declared in the broadcast that democracy was deep rooted in Kuwait's Islamic traditions of consultation and went on to criticise the Kuwaiti Press which he accused of abusing its freedom.

The Emir, Sheikh Sabah Al Salim Sabah, on Sunday granted the Government wider powers to control the Press, including the right to revoke a newspaper's licence if its policies were contrary to the national interest or if it were proved to serve foreign powers' resignation on powers.

Sunday on the grounds that the Reuter

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NZ unions win wages concession

BY DAI HAYWARD

WELLINGTON, August 31.

AS SIGNS emerged that both the New Zealand Government and employers were prepared to make some concessions to end trade union hostility against the Government's wage freeze, dozens of unions, including dockers, brewery workers and secondary school teachers, were planning more industrial unrest to-day.

Although one major dispute, the nine-day drivers' strike, has now been called off, union pressure continued on many fronts to-day.

The Wellington bus service will be disrupted to-morrow and railwaymen are calling for a general strike. Post Office workers have announced that they will vote next week in their first ever ballot for a nationwide strike. Civil servants have decided to prolong a series of stop-work meetings while boiler-makers and car assembly workers are all planning some form of industrial action.

Up to now both the Government and employers have stood firm against union pressure to end the 12-month wage freeze imposed in May. But neither the Government of Prime Minister Robert Muldoon nor the employers were prepared either for a pay increase on exceptional grounds, considered by the impartial Industrial Tribunal. The drivers are confident that they can justify their claim to a pay increase on exceptional grounds, considered by the impartial Industrial Tribunal. The drivers are confident that they can justify their claim to a pay increase on exceptional grounds, considered by the impartial Industrial Tribunal.

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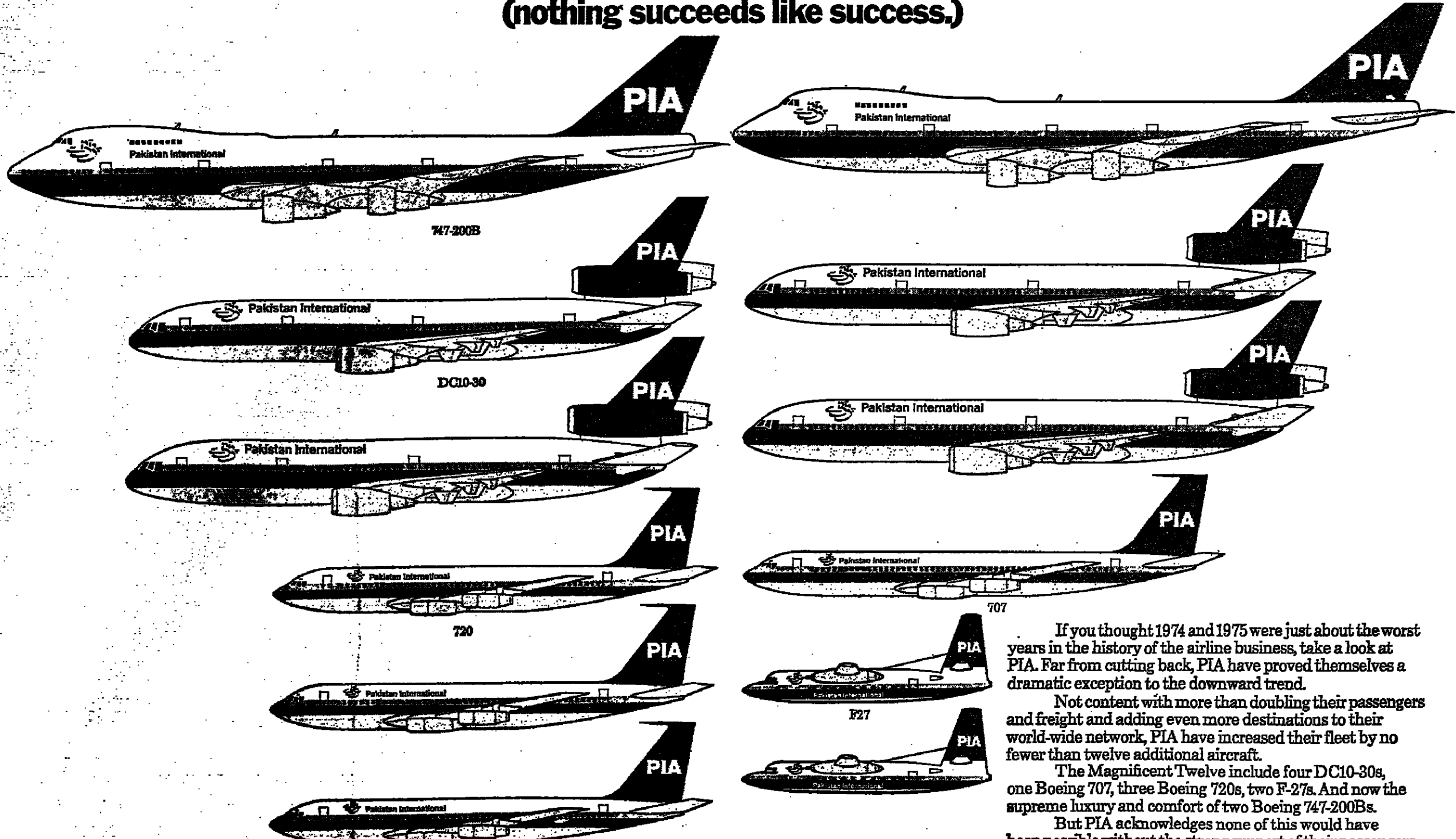
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Others cut back, we add 12 more aircraft.

(nothing succeeds like success.)



If you thought 1974 and 1975 were just about the worst years in the history of the airline business, take a look at PIA. Far from cutting back, PIA have proved themselves a dramatic exception to the downward trend.

Not content with more than doubling their passengers and freight and adding even more destinations to their world-wide network, PIA have increased their fleet by no fewer than twelve additional aircraft.

The Magnificent Twelve include four DC10-30s, one Boeing 707, three Boeing 720s, two F-27s. And now the supreme luxury and comfort of two Boeing 747-200Bs.

But PIA acknowledges none of this would have been possible without the strong support of their passengers. They can only say — thank you for your confidence!

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Great people to fly with

EUROPEAN NEWS

Andreotti is new target for bribery allegations

BY ANTHONY ROBINSON

THE FAILURE of Italy's parliamentary commission to follow the example of Japan and Holland and publish the results of their inquiry into alleged corruption by the Lockheed Aircraft Corporation has created a continuing state of ambiguity and suspicion in Italy, whose latest victim is the Prime Minister, Sig. Giulio Andreotti.

Up to now Sig. Andreotti's name has not been mentioned openly in connection with the Lockheed scandal. The parliamentary commission has spent most of its time half-heartedly trying to uncover the identity of the mysterious "antelope" code name given to a former Prime Minister who allegedly was involved in bribery.

Now, however, the weekly magazine L'Espresso has announced that it is to publish three letters from Lockheed in



which Sig. Andreotti is mentioned by name as having allegedly received thousands of dollars for having helped Lockheed.

The regime depends for its survival on the abstention of the Communist Party, and significantly the Communist Party newspaper L'Unità today came to Sig. Andreotti's support by questioning the authenticity of the documents and, like Il Popolo, voiced the suspicion that they had been released as part of a wider manoeuvre to discredit the Andreotti government.

The Prime Minister's office has issued a strong denial that Signor Andreotti was involved in any way with Lockheed, while the Christian Democrat party news-

ROME, August 31.

paper Il Popolo "deplored the ignominious method of using the Press to invent scandals... destined to create a smokescreen or cover up those really responsible."

This reflects the widespread suspicion here that publication of the latest set of alleged Lockheed documents is an attempt to discredit Sig. Andreotti, who only two weeks ago obtained a vote of confidence which allowed him to form a minority government.

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EEC steel leaders to discuss new plan

By David Curry

BRUSSELS, August 31. STEEL INDUSTRY leaders from the EEC countries meet in Brussels tomorrow to examine the Commission's proposals to re-investigate the activities of the European Coal and Steel Community — the regulatory body which supervises the activities of the Community's steel industry — to make it more capable of tackling industrial crises.

The meeting is one in a series. Mr. Henri Simonet, the Commissioner in charge of steel, has been holding with both sides of industry and users to introduce his blueprint for a more powerful and interventionist governing body. The plan envisages closer monitoring of investments, production agreements with individual companies, and the fixing of indicative minimum prices to avoid cyclical crises in the industry. It leans heavily on the Commission being able to produce accurate forecasts of demand and supply to form the basis for voluntary observation of norms.

It is expected that the overall package will receive a preliminary endorsement which will at least clear the way for more detailed discussions. However, initial examination of the proposals has brought certain doubts to the surface. The first is whether the Commission has got the means to produce consistently reliable and sophisticated forecasts. The second revolves around the feeling that a more positive approach to investment co-ordination must be made.

A Justice Ministry official is to go to Washington in September or early October to negotiate the handing over of material. It will then be examined by the Justice Ministry in Bonn and if it suggests the slightest grounds for suspicion, it will be handed on to the courts, to the prosecuting authorities, or to a committee of investigation.

West Germany bought almost 1,000 Lockheed Starfighters in the early 1980s at a time when Herr Franz Josef Strauss, the leader of the Christian Social Union, was Germany's Defence Minister. At the end of last year allegations were published in the U.S. by a former employee of Lockheed suggesting that the Christian Social Union-Bavarian sister party — had been paid money by Lockheed because of the contract. These allegations have been flatly denied by the CSU.

That appointment is, in a way somewhat of a "challenge" to the Pope's temporal power, although of course the tiny Vatican state is but a small area of Rome itself. Last Sunday in the sports stadium of the northern French city of Lille there was a much more direct and important challenge to the Pope's authority in his primary function as the spiritual leader of Roman Catholicism, to Catholics the direct descendant in line over almost 2,000 years from St. Peter, the "rock" on whom the Church was built.

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Concern in East Germany over Polish food shortage

BY LESLIE COLT

EAST BERLIN, August 31.

EAST GERMANY is concerned about the worsening food situation in neighbouring Poland where meat products are reported to be in extremely short supply.

East German travellers returning from Poland report that long queues are forming at butchers' shops and supermarket meat counters which Polish housewives discover are barren of meat before noon. The Polish sausage, a staple diet, is also becoming a rarity.

Reports from Westerners living in Warsaw say the meat situation there is little better and early-morning customers are buying up whatever they can afford as rumours course through the country that rationing may soon be introduced. The Polish Communist

Party's Central Committee, it is understood, is expected to confer on September 9 about the food shortages.

East Germany is now worried that widespread Polish discontent over the deteriorating food situation could build up to another outburst of emotion such as last June's riots over the Polish Government's proposed food price increases which were subsequently withdrawn.

The effect on East Germany of unrest in Poland would probably be more economic than political as Poland is East Germany's third largest trading partner and disruptions in Polish production would hit the rigidly planned East German economy.

Shortages of meat and meat products have been endemic in post-war Poland. Poles con-

sumed a relatively high 70kgs of meat per person last year compared with 75 kgs in East Germany.

The steadily rising income of Polish workers over the past five years has resulted in an even higher rate of meat consumption, and the present shortfall in the 51 years Poland has been ruled by Communist Party leader Edward Giersek's government.

During past meat shortages Poland has suddenly had to put a brake on its meat exports to release supplies to its own population. This was the case in early 1971.

The difficulty now is that although Poland is economically far better off than in 1971, the country is also far more indebted to the West.

Changes at top level in Bank of Italy

The Bank of Italy yesterday announced its new appointments within its four-man governing directorate, reflecting a determination to retain its traditional independence from improper political interference and prepare the ground for a new generation of top executives from within the central bank itself, reports our Rome correspondent.

Sig. Mario Ercolelli, the former deputy director-general, has become director-general, so taking over the position formerly held by Sig. Rinaldo Ossola who left last month to become Minister of Foreign Trade. Sig. Ercolelli's former position has been taken by Sig. Mario Sarcinelli who joined the research department of the bank in 1957.

Foreign Minister Hans-Dietrich Genscher and members of his Free Democratic Party election campaign were involved in a serious traffic accident while travelling between two rallies on Tuesday, police said. In the W. Germany, reports UPI. Initial reports said two persons were killed and seven injured. Genscher and his wife escaped unhurt and immediately went to the hospital in Ulzen to care for the injured.

Danish N-plant

A group of anti-nuclear power plant demonstrators on Monday night passed through all security systems at an atomic research station and wrote the word "hagen" on a wall of a react building to demonstrate how easily they could have blown up, reports UPI from Copenhagen.

The group's target was the Risoe atomic research station, miles north of Copenhagen.

'No delay' on German inquiry

BY NICHOLAS COLCHESTER

BONN, August 31.

THE West German Government is seeking access to 30,000 pages of material in the hands of the U.S. Government covering business dealings between Germany and Lockheed.

The German Justice Minister, Herr Hans-Jochen Vogel, told the German Press Agency today that this material would not become available before the election on October 3, partly because the U.S. Government has been unwilling to hand it over.

Herr Vogel said that in two visits to Washington earlier this year a Defence Ministry official, Herr Fritz Josef Rath, had managed to acquire only a small amount of written material. The visits had, however, interested the Government in acquiring the other material, which went beyond what Washington had already made available.

The Minister insisted it was absurd to suggest that West Germany had been going slow in its inquiries to allow the election on October 3 to pass before the search began.

A Justice Ministry official is to go to Washington in September or early October to negotiate the handing over of material. It will then be examined by the Justice Ministry in Bonn and if it suggests the slightest grounds for suspicion, it will be handed on to the courts, to the prosecuting authorities, or to a committee of investigation.

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modern age." To Monsignor Lefebvre and his band of followers, that permissiveness has apparently invaded the Holy Scriptures itself, the Vatican.

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Pope John set out to inspire and to guide, letting the Vatican administration get with the task of organising institutional Church. The management style of the present Pope is wholly different, and by accounts he makes most of big decisions himself — and many that are not so big as well.

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Monsignor Lefebvre has done that with a real vengeance and it will be surprising if the Vatican will settle for any but submission — ultimately, communication is the only extreme alternative.

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Pebbles in the fisherman's shoes

BY DOMINICK J. COYLE, IN ROME

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HOME NEWS

State watchdog group urges new line on N-waste

By DAVID FISHLICK, SCIENCE EDITOR

THE National Radiological Protection Board, the Government's watchdog agency on public exposure to radiation, has proposed a "new and comprehensive" examination of procedures for the management of nuclear wastes in Britain.

The proposal, first made by the Board to the Government two years ago, is disclosed in evidence to the Royal Commission on Environmental Pollution, published today.

The Commission, whose report Nuclear Power and the Environment is to be published later this month, is expected to criticise some of the present methods for disposing of nuclear wastes, and of the scale of effort being made to develop new methods of waste disposal.

The Board's evidence says that, where it is not for the long-lived transuranic isotopes such as plutonium, "nuclear waste disposal would present a relatively straightforward problem."

The vitrification process now being developed will turn the waste into a form where its storage would be a relatively simple matter.

Repositories, it says, could be designed and constructed so that they were simple to operate and even a complete failure to maintain them would not result in significant environmental contamination over the several hundreds of years necessary for the fission product activity to decay sufficiently for it not to be important.

But the evidence goes on to say that the activity of the long-lived transuranic elements will outlive the fission products in the waste.

Whether this proves important, it says, depends on what is to be done with the glass-like material once the fission products have decayed.

As the Board says, the evidence, it is likely it could be safely disposed of into the environment, either in deep geological strata or on the sea bed. Alternatively, the transuranic elements could be separated chemically before the waste is vitrified.

NRPS-R43—Evidence given by the National Radiological Protection Board to the Royal Commission on Environmental Pollution: 1974-76. SO, 50p.

New Waverite owner to push laminates

By RHYS DAVID, TEXTILES CORRESPONDENT

A MAJOR effort to stimulate sales of decorative laminates in Grangemouth in Scotland, the U.K. is planned by Perstorp, the Swedish chemicals and plastics group, which takes control today of the U.K. company Waverite at Aycliffe, Co. Durham.

Perstorp, which announced earlier this year that it was buying Waverite, the number two British decorative laminates concern after Formica, is hoping that increased use in hospitals, schools and other institutions will bring U.K. consumption closer to European levels.

Following the acquisition for an undisclosed sum, a new company, Perstorp Waverite, has been formed.

The sale of Waverite, which BXL decided some time ago did not fit into its plastics material business, is to be followed by a withdrawal of BXL from other activities on the Aycliffe site over the next 18 months with the loss of several hundred jobs. Workers at the company's thermosetting and polyethylene divisions at Aycliffe were informed some months ago that activities were to be concentrated at other sites operated by BXL, a subsidiary of the U.S. chemical company Union Carbide.

The deal will give Perstorp more than 20 per cent of the U.K. market in decorative laminates and a recently equipped plant at Aycliffe capable of producing wide laminated sheets suitable for export to Europe. Waverite, which employs about 275 people, has a capacity of some 25,000 sheets per week of decorative laminates and a turnover of around £3m.

The company's Aycliffe plant was opened in 1970 at a cost of £5.5m, and a further £750,000 investment was made last year. Perstorp itself has a total turnover of around £100m, and already owns the U.K. chemical company James Ferguson and chemical company Union Carbide.

Chevron to launch Ninian platform

By RAY DAFTER, ENERGY CORRESPONDENT

THE CENTRAL PLATFORM for week when the large dock gates the Chevron Group's Ninian oil field are floated clear. Weather permitting, the base structure will be towed to the deep-water berth Wester Ross, Scotland, in the next week.

The platform is being built by Howard Dorn, an Anglo-French consortium, at a cost of over £100m. It is claimed that the structure will be the biggest man-made object ever to float when it is towed from Scotland to the North Sea field next year. Some 875 feet high when complete, it will weigh 450,000 tonnes, and about 500,000 tonnes when ballasted. The field, 100 miles north-east of the Shetlands, is due to begin producing in spring 1978.

About 150,000 tonnes of the platform has been built and this has section which will be towed from the dry dock to the "wet" construction site, three miles away in Loch Carron, operation, inaugurated by Prince Charles on July 21, will begin late this week when the large dock gates the Chevron Group's Ninian oil field are floated clear. Weather permitting, the base structure will be towed to the deep-water berth Wester Ross, Scotland, in the next week.

● Gulf Oil is joining the Premier Group of North Sea exploration companies to drill a well on block 29/8, some 150 miles off the Scottish mainland. Gulf will obtain a substantial interest in the licence from Shalheem Natural Resources, the Petroleum Corporation, Page Petroleum, Rand Resources and Albany Oil and Gas. The Premier Group includes Ball and Collins (operational managers), Premier Consolidated Oilfields (the British public company), SA Johnson Exploration of Sweden and Neste Exploration of Finland.

IN BRIEF

Vauxhall tops up Chevettes

Vauxhall put the finishing touch on the Chevette range adding a state version to the saloon and hatchback variants first launched 5 months ago.

The new two-door model is available in one version only and is powered by the normal 1256cc engine. It will have a heated rear window as standard, gas-operated seats for the rear door and 32.3 cubic feet load space. The price: 2,142, including taxes.

City scores

City financial institutions increased their net overseas earnings by £114m to £978m in 1975 according to a detailed breakdown of U.K. Balance of Payments 363-75, published today by the Central Statistical Office.

ay-off SOS

Jobb Caledon, Scottish shipbuilding company, has applied for the government's temporary employment subsidy of £20 a week each for an attempt to avoid laying off about 100 steelworkers at the shipyard for up to two months.

5% loans

editors who investigated a home by which officials of the central Regional Council in Scotland were awarded housing loans 5.5 per cent interest reported at the scheme gave the officials an improper advantage; that it was not the council's duty to fill the gaps we will.

BP warning over new refinery

By Ray Dafter, Energy Correspondent

BRITISH Petroleum's deputy chairman, Mr. Monty Penell, has warned that the construction of a new oil refinery in Britain or Western Europe during the next 15 years would be a gross waste of resources.

The warning is contained in a letter to Mr. Tam Dalyell, Labour MP for West Lothian, and is a clear sign that BP is concerned about the £100m refinery proposed by the Cromarty Petroleum Company at Nigg Bay, Easter Ross, in Scotland.

Mr. David Steel, BP's chairman, has already taken the unusual step of publicly criticising the plan.

Mr. Dalyell has opposed a Parliamentary Bill for the acquisition of land at Nigg Bay. The Bill will be debated by the Commons next session.

In his letter, Mr. Penell writes: "There is to my mind no doubt that construction of new basic refining capacity in this country, or in Western Europe, at any time during the next 15 years would be a gross waste of resources."

Mr. Dalyell has forwarded the letter to Mr. Anthony Wedgwood Benn, Energy Secretary. "How can the Government possibly suppose that there is any case at all for a refinery in Easter Ross?" Mr. Dalyell writes to the Minister.

After the riot, Elinor Goodman looks at the wreckage in her neighbourhood

The hangover at Notting Hill



Menswear shop owner Mr. Ansel Kardon checks items left after the looting.

AS COUNCIL workmen did their best to sweep away the visible signs of Monday's riot yesterday morning, the atmosphere in London's Ladbroke Grove was like that after a party which had gone disastrously wrong: nobody was quite sure what damage had been done the night before or whether they were on speaking terms with the other people who had been there.

Shoppers gathered in groups outside the shattered shop windows and women cleaned their steps of broken glass and empty Coca-Cola cans which on Monday had been used both as percussion instruments and missiles.

Others wandered disconsolately round looking for their dustbin lids which had been used as shields in the police charges on Monday night, while the shopkeepers counted the cost of broken windows—in the case of most of the 31 premises damaged—and stock in the three shops which were looted.

Outside the Co-op, whose office had been looted, losing £3,500, crushed tins of baby foods mingled with the broken bottles.

As after a bad party, most of those on the streets were treading carefully, anxious not to upset already sensitive feelings. "It's a shame" was the most common remark heard from both sides.

Many of the older people—both police and local residents—most of the blacks seemed to interpret of events: that it

was a small minority of young hoodlums, many of them from the police presence been so obtrusive.

By yesterday afternoon, most of the debris had been cleared away. Physically the area, never the most tidy of places, was pretty much back to normal.

A surprising degree of normality was also restored underneath the arches of Westway, where some of the worst violence had taken place, still analysing the previous day's events, gave any real clue to

have developed so badly had not again playing in the play area which is an adventure playground in the full sense of the word, littered with urban debris and only brightened by the murals and political slogans on the walls.

The police were generally keeping a low profile and only the odd remnant of the festivities, like a bright yellow paper animal, and the groups of people still analysing the previous day's events, gave any real clue to

what it had been like less than 24 hours before.

Most of those talking on the streets agreed it had not been primarily a confrontation between blacks and whites. For most of the blacks the enemy had been the police.

One social worker said that it had been like a "tinderbox." The appearance of the police in such large numbers, coupled with the memory of incidents like the recent troubles in Southall and the general feeling among the young blacks that the police pick upon them, had, she said, made it "very unlikely" that the carnival would end peacefully.

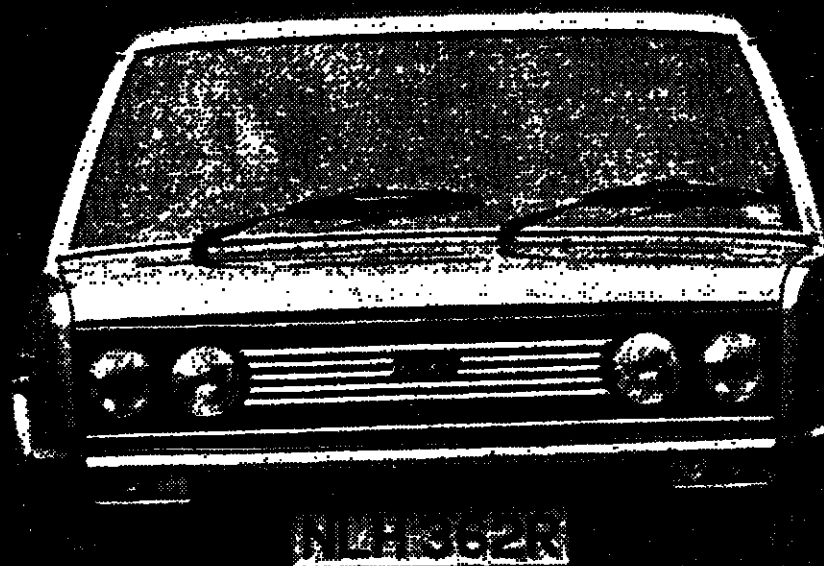
Many of the whites took a similarly fatalistic view, but for different reasons. In their view, violence was the inevitable outcome of so many people dancing in a small area.

"You wait," said one black teenager, "it will be worse next year." If it's banned, people will come from all over the country to show that the police cannot go on treating us the way they do.

Some whites felt freer as a result of Monday's events, to make the kind of racist remark which only a week ago they might have felt inhibited from making to a stranger.

Nobody wanted to draw comparisons with the 1958 Notting Hill Gate race riots but the possibility of a repeat of this kind of confrontation was on many people's minds.

This year 15,000 people are going to be glad they didn't settle for the same old £2,000 family saloon.



Between now and the end of the year, an untold number of people are going to spend £2,000 or so on a brand new car, and drive home in an old idea. And very pleased they'll probably be with their old idea, too.

After all, who could say that the well-known family saloons of this world haven't done sterling service over the years?

On the other hand, a slightly smaller number of people are going to spend roughly the same sort of money, and drive home in a new idea.

Ours. The Fiat 131 mirafiori. Just a month after it was launched, the gentleman from 'Car' magazine, in their June 1975 issue compared the Fiat 131 1600 Special, the Cortina 1600L, and the Marina 1.8 Super.

THIS IS WHAT THEY FOUND

First, engine sizes:
The Fiat 131 mirafiori 1585cc.
The Cortina 1600L 1593cc.
The Marina 1.8 Super 1798cc.

As you can see, they're all fairly evenly matched.

In the acceleration test, the Fiat 131 cruised from 0-70 mph in 16.8 seconds.

The Marina came next in 17.9 seconds. And the Cortina last in 20.8 seconds.

So the Fiat was appreciably quicker off the mark.

In the top speed test, all 3 cars finished in the same order.

The Fiat came first with 98 mph, the Marina second with 95 mph, and the Cortina last with 93 mph.

As far as the tricky subject of fuel consumption was concerned, all 3 cars got the same treatment under a variety of conditions. And once again they finished in the same order.

The Fiat was first, averaging 33.8 mpg, the Marina second with 30.1 mpg and the Cortina last with 27 mpg.

HANDLING AND ROADHOLDING
'Car' magazine described the 131's superiority over the other two in 5 words.

"In an entirely different league." To this they added: "It's among the best handling and most tenaciously gripping conventionally engineered cars yet produced."

COMFORT AND RIDE

As far as comfort is concerned, interior dimensions must be of some significance. So we must point out that while the Fiat 131 offers more shoulder room all round and more leg room in the front, we don't beat the other two in other similar areas. We do, however, offer the highest boot, and an adjustable steering wheel.

And ride? Once again we came out best in their opinion. The Fiat 131's suspension engineering was described as "first class," the suppression of road noise "very good indeed," and cross wind stability "above average."

SAFETY

Both the Cortina and the Marina are obviously obliged to meet existing EEC standards.

But the Fiat 131 goes further. Its extra strong passenger safety cage more than satisfies all known and impending European and American legislation.

A truly outstanding achievement.

THEIR CONCLUSION, AND OURS

As you might expect, 'Car' magazine voted the Fiat 131 the best of the three by quite a considerable margin.

However, there is every chance that you consider comparisons of this kind to be rather subjective.

Which is fair enough. But even if 'Car' magazine got it wrong and all 3 cars are in fact as good as each other, wouldn't you say the Fiat 131 mirafiori is worth a darn good look?

AND FIAT MASTERCOVER - 2 YEARS PEACE OF MIND

Probably the most comprehensive after sales protection scheme available in the U.K., Fiat Mastercover comes on every new Fiat car and lasts for 2 years, up to a maximum of 24,000 miles.

The Fiat Information Service, 284-288 Richmond Road, London E8 9QT

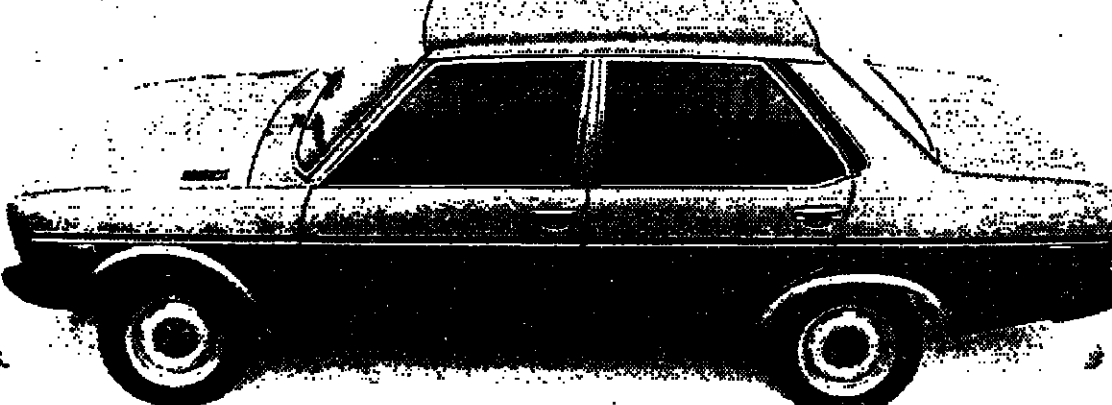
Please send me a name of Fiat Magazine's Road Test, together with illustrated brochures on the 131 Saloon and Estate range.

Name: _____

Address: _____

FT/131/2

FIAT
MASTERCOVER
2 years peace of mind



FIAT 131 We put excitement into sensible cars.

The Fiat 131 range starts at £2,046. The 131 1600 Special 4-door (limited edition) £2,999. The 131 1600 Special Estate (illustrated) £3,576. (Fixed tax return - available on Special versions only at £19.99. Automatic Transmission only available on 1600 cc models. Prices are correct at time of going to press and include car tax and VAT but exclude number plates, seat belts and delivery charges.)

LABOUR NEWS

Civil Service, public sector unions to fight cuts

BY DAVID CHURCHILL, LABOUR STAFF

CIVIL SERVICE and public sector unions are for the first time preparing to mount a united campaign against the Government's proposed public expenditure cuts.

This move, timed to coincide with the TUC and Labour Party conferences over the next few weeks, comes as many unions are increasingly concerned over the Government's handling of the economy.

TUC leaders are seeing the Prime Minister today to seek assurances that the Government intends to reduce the 1.5m. unemployment level as soon as possible.

The general secretaries of the main public service unions are planning to meet during the TUC conference in Brighton next week to discuss, according to Mr. Alan Fisher, general secretary of the National Union of Public Employees—which has been at the forefront of opposition to the cuts—"our common problems over the cuts and to work out a joint campaign."

The meeting is expected to include representatives from the local government, health service, and teaching unions, as well as the general secretaries of two of the largest Civil Service unions, the Civil and Public Services Association and the Society of Civil and Public Servants.

Some of these unions already maintain an informal liaison to co-ordinate their publicity campaigns against the cuts. But if the new joint venture goes ahead it will be the first time the Civil Service unions have added their weight to the opposition of the public sector unions.

In practical terms, it could mean a swelling of numbers involved in the protest rally planned during the TUC conference by NUPE and similar demonstrations at the Labour Party conference and the House of Commons next month.

Meanwhile, the two Civil Service unions yesterday launched their latest weapon in the propaganda campaign with a booklet which spells out their case against the cuts.

Both Mr. Ken Thomas, CPSA general secretary, and Mr. Gerry Gillman, general secretary of the SCPS, made it clear that they were challenging the Government's economic justification for the cuts in that it would release scarce resources to manufacturing industry during the expected recovery.

There was no evidence, they said, that the investment in the public sector would be diverted to manufacturing industry. Mr. Thomas also warned that further pressure on sterling in the autumn would lead to more expenditure cuts.

Apart from drawing the public's attention to the effects of expenditure cuts, both within and outside the Civil Service, some members of the unions in Government departments are continuing with their overtime bans and other limited forms of industrial action in protest at the cuts.

The two union leaders also repeated their call for an end to the "media campaign" against civil servants, who, they say, have been described as "pampered, privileged, and bloated."

The unions claim that media tactics are constantly to repeat the allegations to establish the myth as a "fact" in the minds of the public.

Trouble at Leyland as Lucas sends home 1,000 men

BY ALAN PIKE, LABOUR STAFF

LEYLAND CARS, already suffering disputes at three of its Midlands plants, was presented with a threat to component supplies because of a strike by Lucas group electricians yesterday.

By last night, Lucas had sent home 1,000 workers at two Birmingham factories which supply alternators, starters and lighting equipment for the motor industry. Unless the dispute is resolved quickly, it will certainly lead to further disruption in its car factories. The 238 electricians at 13 Lucas factories in the Birmingham area are on strike claiming improved sickness benefits. They returned to work briefly on Monday after a walkout last week, but by yesterday all the men were again on strike. The number of other Lucas workers laid off will rise within the next day or two.

Meanwhile, all car production at Leyland's Longbridge, Birmingham, plant was again halted yesterday because of a strike by 92 rectification engineers over a pay claim which the company says cannot be met within the present pay policy. The strike is costing Leyland 300 Minis and Allegros a day, with the engineers not scheduled to meet again until Monday and 8,000 production workers are laid off.

At Cowley, Oxford, Princess output remained at a standstill with 300 lay-offs yesterday because of a strike in support of four Transport and General Workers' Union shop stewards, who had their steward's facilities withdrawn by the management for calling an unauthorised meeting. A total of 1,500 cars with a showroom value of £3m. have been lost since the dispute started last week.

Jaguar production in Coventry returned to normal yesterday after the first of a series of 24-hour strikes planned by paint shop workers who object to a new £22m. paint plant being located in Birmingham rather than Coventry. The men intend to stage further stoppages without notice.

Provincial papers may seek TUC help

BY ALAN PIKE, LABOUR STAFF

THE NEWSPAPER Society is expected to seek the intervention of the TUC and the Advisory, Conciliation and Arbitration Service in an effort to resolve the National Graphical Association dispute which is seriously disrupting provincial newspaper production.

By yesterday, 50 newspapers had been forced to suspend publication because of action by NGA members. The council of the Newspaper Society, which represents provincial newspaper managements, met to review the situation yesterday and said in a statement afterwards that, as the dispute had now escalated into an industry-wide problem involving not only the NGA but other unions, the Society had given its negotiators "authority to explore all avenues open to them" in an effort to resolve the problem.

The dispute involves NGA members refusing to handle work submitted for printing and plate-making from "unrecognised," non-union sources.

Mr. Joe Wade, the union's general secretary, yesterday attacked the Newspaper Society and the British Printing Industry Federation for "cant and hypocrisy" in saying they were in favour of retaining and expanding work in the industry for their members.

"They know better than anyone that, when the tidal wave of new technology sweeps over the industry, our members could be submerged first of all," he writes in his union journal.

● The Northamptonshire Evening Telegraph, one of the many newspapers in the Midlands and North not appearing because of the dispute, has postponed the official opening of its new offices at Kettering, due to have taken place on September 7.

Perks 'hit the low-paid'

BY OUR LABOUR STAFF

THE INCREASINGLY generous allocation of fringe benefits to better-off workers in recent years has substantially worsened the plight of the low-paid, according to the Low Pay Unit's latest bulletin.

The unit, an independently financed research body, draws attention to a 1975 survey in which the manager on £10,000 a year was shown to be receiving benefits of £2,331 worth 23 per cent of his basic income, and the manager on £24,000, advantages to the value of 29 per cent of his salary.

In the report these figures are contrasted with benefits available to workers in badly-paid areas such as retailing. At the bottom of the league are food shop workers, who in 1974 received average annual benefits of £30.88, less than 2 per cent of their basic income.

Seamen advertise for support

By Our Labour Staff

AN ATTEMPT to secure public support for the pay dispute involving 38,000 merchant seamen, which threatens a damaging national strike and the Government's new pay policy, was made yesterday by the National Union of Seamen in a series of national newspaper advertisements.

The advertisements, costing several thousand pounds, say that the union wants fair pay for its members who, it claims, are being asked to forego the 26 pay rise under the previous pay policy.

But both the Department of Employment and the TUC have ruled that, because the bulk payment in the seamen's three stage pay award last year was in January, they will have to wait until January 1977 for their next rise and will then have to settle under the new £2.50-£4 guideline.

The union, however, claims that since the original pay award as made in July 1975, its members are entitled to a 26 rise reckoned to last July and are presently battling their members to trade union representatives should be made available

Worker-Director recall right urged

BY JOHN ELLIOTT

A DEMAND for trade union members to have the right to "recall" and dismiss their worker-directors under the TUC's plan for industrial democracy has been launched by the Institute for Workers' Control.

This is put forward by the Institute in evidence to the Bullock Inquiry on Industrial Democracy in the private sector, and was published yesterday in a pamphlet.

The Institute argues that unless there was provision for "recall" of the workers' representatives, in between periodic elections, "any new legislation will necessarily find that the confidence of workpeople in the new arrangements will be undermined and that there will be a certain reluctance on the part of some of the key workers concerned to offer themselves for election."

The Institute calls for worker-directors to be tied in with planning agreements and says that information passed by companies to trade union representatives should be made available

LEGAL NOTICES

No. 002804 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court.
In the Matter of THE GLEN MEAT COMPANY LIMITED and in the Matter of The Companies Act, 1965.
NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 23rd day of August 1976, presented to the said Court by THOMAS BORTWICK & SONS (LONDON) LIMITED, whose registered office is at 21, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 11th day of October 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
G. KRUKORIAN,
King's Beam House,
20-21, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

No. 002805 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court.
In the Matter of C. SMITH & SONS (TRANET) LIMITED and in the Matter of The Companies Act, 1965.
NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 23rd day of August 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 20-21, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 11th day of October 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
G. KRUKORIAN,
King's Beam House,
20-21, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

No. 002806 of 1976
In the HIGH COURT OF JUSTICE
Chancery Division Companies Court.
In the Matter of CHAIRWAY LIMITED and in the Matter of The Companies Act, 1965.
NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 23rd day of August 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 20-21, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 11th day of October 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
G. KRUKORIAN,
King's Beam House,
20-21, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

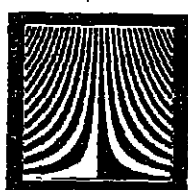
NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or firm, or his or their solicitor (if any), and must be signed by the person or firm, or his or their solicitor (if any), and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of September 1976.

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BOND DRAWING

CASSA PER IL MEZZOGIORNO
S.r.l. Guaranteed Bonds 1983
S. G. Warburg & Co. Ltd. announce that the £5,000,000 initial issue of the U.S. \$1,000,000 Bonds has been met by purchases in the market to the nominal value of U.S. \$1,135,000. The distinctive numbers of the Bonds, drawn in the presence of a notary, are as follows:—
17562 to 17564: 17568 to 17572;
17565 to 17567: 17573 to 17577;
17578 to 17580: 17584 to 17588;
17581 to 17583: 17589 to 17593;
17594 to 17596: 17597 to 17601;
17602 to 17604: 17605 to 17609;
17610 to 17612: 17613 to 17617;
17618 to 17620: 17621 to 17625;
17626 to 17628: 17629 to 17633;
17634 to 17636: 17637 to 17641;
17642 to 17644: 17645 to 17649;
17650 to 17652: 17653 to 17657;
17658 to 17660: 17661 to 17665;
17666 to 17668: 17669 to 17673;
17674 to 17676: 17677 to 17681;
17682 to 17684: 17685 to 17689;
17690 to 17692: 17693 to 17697;
17698 to 17700: 17701 to 17705;
17706 to 17708: 17709 to 17713;
17714 to 17716: 17717 to 17721;
17722 to 17724: 17725 to 17729;
17730 to 17732: 17733 to 17737;
17738 to 17740: 17741 to 17745;
17746 to 17748: 17749 to 17753;
17754 to 17756: 17757 to 17761;
17762 to 17764: 17765 to 17769;
17770 to 17772: 17773 to 17777;
17778 to 17780: 17781 to 17785;
17786 to 17788: 17789 to 17793;
17794 to 17796: 17797 to 17801;
17802 to 17804: 17805 to 17809;
17810 to 17812: 17813 to 17817;
17818 to 17820: 17821 to 17825;
17826 to 17828: 17829 to 17833;
17834 to 17836: 17837 to 17841;
17842 to 17844: 17845 to 17849;
17850 to 17852: 17853 to 17857;
17858 to 17860: 17861 to 17865;
17866 to 17868: 17869 to 17873;
17874 to 17876: 17877 to 17881;
17882 to 17884: 17885 to 17889;
17890 to 17892: 17893 to 17897;
17898 to 17900: 17901 to 17905;
17906 to 17908: 17909 to 17913;
17914 to 17916: 17917 to 17921;
17922 to 17924: 17925 to 17929;
17930 to 17932: 17933 to 17937;
17938 to 17940: 17941 to 17945;
17946 to 17948: 17949 to 17953;
17954 to 17956: 17957 to 17961;
17962 to 17964: 17965 to 17969;
17970 to 17972: 17973 to 17977;
17978 to 17980: 17981 to 17985;
17986 to 17988: 17989 to 17993;
17994 to 17996: 17997 to 18001;
18002 to 18004: 18005 to 18009;
18010 to 18012: 18013 to 18017;
18018 to 18020: 18021 to 18025;
18026 to 18028: 18029 to 18033;
18034 to 18036: 18037 to 18041;
18042 to 18044: 18045 to 18049;
18050 to 18052: 18053 to 18057;
18058 to 18060: 18061 to 18065;
18066 to 18068: 18069 to 18073;
18074 to 18076: 18077 to 18081;
18082 to 18084: 18085 to 18089;
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMMUNICATIONS

Light carries the message

THOUGH not enormous, as Post Office contracts generally go, one placed yesterday with BICC Telecommunications Cables is of great significance as it represents the first time a commercial application to PO operations of optical fibre.

The BICC group company is to supply 21 km of two-fibre cable which is to be used in assessing the PO's experimental systems and equipment which have been developed at the Marlesham research centre.

Part of the cable supplied will go to provide an 8 Megabit link between Marlesham and the Ipswich exchange. This is a distance of 12 km and there will be a repeater at Kesgrave. At the same time, a separate cable will be laid from the centre to Kesgrave (5 km) to operate, it is hoped, at 140 Megabits.

As shown in the illustration, the cable has two cavities with an optical fibre of high quality glass in each. The two are arranged on the neutral axis between two flanking steel wires which provide enough strength to allow the cable to be installed by conventional techniques in standard ducts.

The sheath of the cable is black polythene and its structure is similar to that of cables installed for the same optical communications research work in collaboration with Plessey Telecommunications Research, in a



The fine glass cable can be seen between the thumbs.

duct at Taplow Court. Successful operation has been recorded with this cabling over the past 20 months.

The medium of communication down the cables is light, modulated in accordance with the type of signal being transmitted. The light can be produced by lasers. Clearly, the important factor in the manufacture of the glass is the reduction of light absorption to a very low degree and manufacturers all over the world are vying with one another to produce a commercial glass with

the lowest attenuation factor. Japan recently made claim to have produced such a material, based on Southampton University work.

Fibre used by BICC is made by a process called "doped deposited silica". Patented by GEC, it will operate from computer power supplies and is compatible with any device which accepts serial ASCII code via a 20mA load. More from 80, Church Road, Newport, Gwent (0633 67426).

REDUCTIONS in the price of both printers and disc drives have been announced by Sinter Electronics following the signing of a new distributor agreement with Data Recording Company.

The agreement covers U.K. end user sales of the DRI Series 30 and Series 4000 disc drives and the Series 6123 and 6330 printers. Prices will be reduced by 30 per cent on the disc drives and about 100 on the printers.

By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

RECENT interactive data communications are provided by a new series of terminal products put on the market by Control Data. They are aimed at CDC computer users, Cybernet data services networks and at computer users in general.

Products announced include an interactive display terminal, impact or non-impact printer, and single or dual cassette tape data storage units.

CDC 751-10 is an asynchronous remote display terminal which is controlled by an Intel 8080 microprocessor. Capacity is 1920 characters of data in a 24 line by

COMPUTERS

Terminal in the pocket

THE MINIATURE teletypewriter keyboard unit developed by National Semiconductor and announced in July is now being made by GR Electronics of Newport (Gwent) and will sell at a price of about £160.

The device is aimed at those programming microprocessors, and the need arises because many organisations embarking on such work have discovered that, having spent perhaps £200 or £300 on the semiconductor pieces to get started, they need a teletypewriter machine costing up to £1,000.

Looking much like a calculator, the unit offers full keyboard read/write facilities with a nine digit LED display. There are 36 keys which, with a "shift" switch, allow selection and entry of a full 64 alpha-numeric set (ASCII). It will operate from computer power supplies and is compatible with any device which accepts serial ASCII code via a 20mA load. More from 80, Church Road, Newport, Gwent (0633 67426).

Printers cheaper

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80 character format (9 x 7 dot matrix characters). The character itself is tilted, viewed from two complement includes 95 ASCII characters and ASCII representation of 33 control codes. The terminal can stand alone but can also support printer and tape resolution.

As an example, the company says it is possible to measure the dimensions of a scratch less than one micron deep. Details from Hitachi, No. 5-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100, Japan.

CDC 753-10 is a thermal printer in table-top form connected to and controlled by the display's microprocessor. Print speed is up to 30 characters/sec in an 80 column line. The tape drive, CDC 754, also connected to the microprocessor, can operate on and off line at the same time. More from 22A St. James's Square, London SW1 (01 930 7844).

Tapes from France

FLOPPY discs, disc packs and cartridges, digital cassettes, magnetic cards and their associated storage made in France by Pyralis are being offered in the U.K. by Shannon, New Malden, Surrey (01-842 3262).

DS37 Memodisc is a floppy disc suitable for use with IBM 3740 and compatible equipment. Each disc is individually tested and certified and has a capacity of 1898 records.

The disc packs are PL2C, a top loading single disc cartridge with two recording surfaces holding 3.2 megabytes on 406 tracks, while PL20C is an 11-disc unit with 20 recording surfaces. Capacity is 88 megabytes.

There are two cassettes, DC34 and DC40; both offer more than 300 ft of useable tape. The former is made to ECMA standards with polypropylene case and file protection lock-out tab. The latter is also statistically controlled for quality and performance.

Magnetic cards are available for Olivetti Programma machines, IBM CMC7, Xerox Sperry Remington and Siemens systems. Pyralis magnetic striping can be supplied on an OEM basis to a number of ledger card manufacturers and printers.

INSTRUMENTS

Microscope pictures in depth

DEVELOPED to pre-prototype stage, a stereoscopic observation and measuring instrument has been built by Hitachi for use with a scanning electron microscope.

Three-dimensional images magnified up to 10 times (with the Hitachi model HFS-3) can be measured while under observation to a maximum of 300 angstroms (10m equal 1 millimetre) for height and up to 30 angstroms for length and width.

This instrument is comprised of two image memory devices, a time-sequential 3-D television system, with an electro-optical shutter and three-dimensional measuring unit.

Instead of deflecting the electron beam in the microscope tube to obtain two incident angles on the specimen (which results in a 10,800 times drop

Determines audio level

SELECTIVE and wideband level measurements over the frequency range 20 Hz to 50 kHz can be carried out with a portable instrument, PMG-13, put on the market by Wandel and Goltermann (U.K.) of 40, High Street, Acton, London W3 6LG (01-892 6791).

Main application will be in the development, production, installation, operation and maintenance of voice frequency telephony systems. It is also suitable for level, noise and frequency measurements on all types of analogue audio systems.

Facilities include AF selective measurements with a built-in tracking generator, noise measurements to CCITT specifications (optional), frequency counter with 0.1 or 1.0 Hz resolution, wideband amplifier, and a tunable filter for cleaning up a signal by removing harmonics and spurious content.

Continuous frequency tuning over the complete range and a flicker-free six digit read-out provide easy and exact frequency setting. Measuring range is in 10 dB steps from +20 to -70 dB and the bandwidths are switchable to seven values between 10Hz and 1.6kHz.

Times by depositing copper

IMPORTED from Fredericks in the U.S. and available in this country from Monolith Electronics is an elapsed time indicator that depends upon deposition of copper from an electrolyte.

With the application of DC (less than 0.1 Watt is consumed) elapsed time is recorded by the precise increase in linear length of an easily read 0.1 inch thick copper column in a calibrated glass tube. A typical application will be in logging the total service life to date of a machine or system, it completely eliminates the need for manual logging of operating hours.

Overall height of the device is about 12 ins and various timing ranges are available from 0 to 500 hours up to 0 to 10,000 hours. Typical applications include aircraft instrumentation, vehicle warranties and maintenance schedules and also random operations analysis. Devices can be supplied to MIL standards.

Operable over a wide temperature range, the timer is easily mounted in an open fuse clip. More from 5 Church Street, Crewkerne, Somerset (045-031 4321).

ELECTRONICS

Immediate hot foil printing

ANYTHING FROM a label badge to a four-colour poster can, it is claimed, be printed on a hot foil machine introduced by Masson Seely and Co., Howdale, Downham, Norfolk (0563 2511).

Maximum sheet size is 30 x 25 in., and printing can be carried out on rice paper, thick card, wood, rubber, metal and plastic. The required colour foil is laid on the surface to be printed and the type placed on the foil.

The operating lever can apply pressures ranging from "kiss touch" to 30 tons, and the electrically heated platen transfers the foil to the surface in seconds. The machine can be used for runs from single items to hundreds.

There are over 40 different coloured foils available, and a range of type faces in bronze or etched copper. The desk top machine measures 20 x 27 x 40 inches.

PRINTING

Photo class for board designers

KODAK is offering a three-day course called "Photography for Photofabrication" to be held at the marketing education centre at Hemel Hempstead at intervals throughout the year.

Aim is to demonstrate and discuss the making of good photographic masters for photoresist exposure and will therefore be of interest, for example, to those making printed circuit boards in the electronics industry. The course shows an operator or manager how to get the very best quality from his camera or contact equipment in conjunction with recent advances in photographic technology.

Topics covered include lens characteristics of silver sensitised materials, processing techniques, exposure and special applications.

Fee for the course is £10 and more information can be obtained from Gadebridge Lane, Hemel Hempstead, Herts (0442 61122).

PACKAGING

Bags of drinking water

IF BRITAIN'S water shortage reaches the disaster proportions experienced where earthquakes and other natural catastrophes occur, equipment developed by Queens House, Forbury Road, Reading, RG1 3JH (0734 581177) a Swiss company and used by

BCIRA

SOLVES YOUR IRON CASTINGS PROBLEMS

ALVECHURCH - BIRMINGHAM
Telephone Redditch 66414

The International Red Cross may be operating here.

Water-Line SA, of Lugano, has a plant that can be installed in two ISO 20 foot containers which will purify non-saline polluted water, and then seal it in 1 litre polyethylene bags (alternatively it can be mixed with milk powder before packaging).

Completely self-contained, with its own diesel generator, and controlled by a punched card programmer, maximum output for a 24-hour day is 75,000 bags. A recent application for the equipment was at the earthquake shattered area of Gemonia, in Northern Italy, where a mobile unit is still supplying all drinking water needs.

The company has developed a range of equipment, in mobile and static units. The water passes through a comprehensive chemical, filtration and sedimentation purifying sequence. In fact the company says it will keep for several years once it has been bagged. The equipment even includes a "Use by..." date stamp.

U.K. agent is Albe (England), 51 Bideford Avenue, Perivale, Greenford, Middx. (01-817 7283).

Improving filling line efficiency

METAMATIC, the container handling division of Metal Box has introduced a service for canners and bottlers which is stated to forecast production efficiencies in new lines, or to recommend improvements to existing lines, by using a computer simulation program.

The program has taken three years to develop and is based on Metal Box's experience of its own can making operations, and the installation of filling lines for food and beverage packs.

Analyses have shown that low efficiencies are often caused by restrictions on the movement of containers or the inability of the line to compensate for the inevitable short stoppage of an component.

To develop line specification the program begins by providing an overall layout giving the container flow characteristics for the output required at the lowest capital cost. Functional units (matched performance are the selected and linked with specially designed conveyors and accumulators.

Metal Box says this ensures that the efficiency potential of the original concept is fully realised. Correct accumulation of containers is the basis of the system. Details from the company, Queens House, Forbury Road, Reading, RG1 3JH (0734 581177).



International Exhibition of Machine Tools Gauges & Tooling

National Exhibition Centre
Birmingham, England.

22 Sept-2 Oct 1976

0900-1800 daily (Sunday: Ticket holders only)

MACH 76 is organised by The Machine Tool Trades Association

MACH 76 will be the largest and most comprehensive international exhibition of machine tools, components and associated equipment ever staged in Britain. It will embrace the whole spectrum of modern machine tool technology and products from every leading machine tool manufacturing country will be on show. MACH 76 will be a unique opportunity for Directors of Production and their staffs to study at first-hand the latest methods of improving profitability.

Plan your visit NOW. The National Exhibition Centre is easy to reach by rail, road or air. For further details, including hotel information, contact:

MACH 76 Information Service
MIRA, 625000 Water Rd, London W2 3PH
Telephone 01-402 6671 Telex: 27829

HEATING

Advanced vacuum furnace

DESIGN VACUUM pressure of a new pumped vacuum furnace was specified to be better than 1 microTorr at 1200 deg.C in a hot zone 280 mm dia. x 450 mm high. During tests, loaded with a 1 kg molybdenum specimen, it achieved 50 nanoTorr after 8 hours at 1200 deg.C. Temperature uniformity was better than 1 deg.C over the specimen with two thermocouples set at 45 mm and 140 mm from the hearth plate.

Made by Vacuum Generators, Menzies Road, Hastings, Sussex TN34 1YQ (0424 431851) this advanced specification is claimed to have been made possible by the choice of pumping equipment—an ion/sublimation pump combination for evacuation of the furnace chamber.

The furnace is fully programmable with facilities to allow run up to temperature at a pre-set heating rate and holding at temperature for a set period. Optional control of the cooling rate is available.

AEROSPACE

U.K. white hope in aerobatics

THE FIRST new aircraft to be designed in Britain for the past two years made its first flight yesterday. The "Cranfield Aerobatic" powered by a Rolls-Royce Continental piston engine took to the air at the Cranfield Institute of Technology where it has been designed and built by a team headed by Professor Denis Howe.

It has been produced, "at a cost of about £100,000," in order to beat the competition from aircraft such as the Czechoslovak Zlin. The aircraft has been developed by Flight Invert, a company jointly owned by the Institute and by Alan Curtis, who is a director of Aston Martin at nearby Newport Pagnell, where many of the alloy body panels have been manufactured.

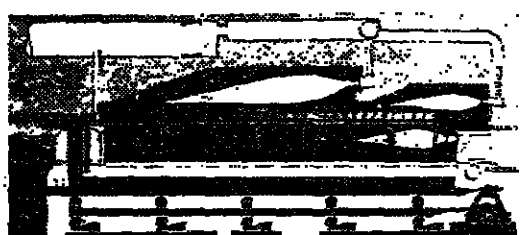
The first three Cranfield aircraft will be supplied to the British Aerobatic team for its participation in the world championships to be held in Prague in 1978. Yesterday's test pilot, Neil Williams, was captain of the team that won the Bronze Medal in Kiev in August.

ON STREAM

Our new (£26m) Rod Mill has started production. A big occasion not just for GKN but for the whole of British Industry!

The new mill has proved to be an exciting shop window for British steel. It's brimming over with the latest advances in rod rolling. And that means greater precision and improved quality.

Take a closer look at the production process. Incoming raw



billets are carefully inspected and casts are segregated in pens—so the pedigree of every coil is known. Billets that come up to the stringent standards required are then



passed to the walking beam furnace where highly accurate heat control minimises decarburisation. Next, the rods pass through the 4 strand rolling mill where shear cropping eliminates front end defect. In the no-twist finishing mill, tungsten carbide

rolls are alternatively angled at 45° to give a rounder, more



uniform cross-section. Finally, rods pass through the Stelmor process for cooling by high pressure water and air blowers and are then front and back end trimmed, tested and compacted into 1350Kg coils and strapped with four steel bands.

Now look at the results. An output of 600,000 tonnes a year of the finest wire rod and coiled bar in Europe. Plus a stability of resources

and production that enables GKN customers to plan well ahead with no more headaches about continuity of supply.

Please write or phone for full details.

GKN (South Wales) Limited.
Castle Works, Cardiff CF1 1TQ.
Telephone: 0222-33033. Telex: 49316.
A member of GKN Rolled & Bright Steel Ltd



ROD MILL

BULGARRE

The Management Page

Holiday time in Whitehall means catching up with delayed business and coping with sudden crises. Peter Hennessy explains how it is organised.

How Ministers govern from the country

THE WEEKS of late August site of the new assembly at Edinburgh's Royal High School, blessed relief to those whose Mr. Callaghan stays on his farm and lives and livelihood are dominated by Ringmer in Sussex. He has no fixed routine, but out a junior Minister and a deputy secretary present and in charge.

Under the doctrine of Ministerial responsibility, civil servants have discretion to take decisions in accordance with clearly specified policy directions laid down by their Minister.

But should a matter arise requiring a major decision and involving a significant departure, in principle, from existing policy, no official, however senior, could assume he knew his Minister's mind and resolve the matter at his own discretion.

In such cases—a major industrial rescue operation would be an example—the Secretary of State and the relevant Cabinet Committee would need to be summoned, briefed by the civil servants, and left to take the decision.

Little work however is generated during the summer weeks and civil servants take the chance to clear cluttered "in trays" with considerable enthusiasm. But while making their decisions, civil servants are reluctant to do much without the duty Minister at least being informed. The Industry Department officials, for example, made sure that the issues behind the siting of the proposed Toyota distribution centre were fully presented to their political masters.

The despatch boxes sent off to the rest of Ministers will usually contain less urgent material than is normal during a Parliamentary session. There is unlikely to be much Cabinet material but there will be background briefing documents, personal correspondence and, occasionally, newspaper clippings for the publicity conscious—or maybe just apprehensive—Minister.

But back at Ministerial headquarters, many civil servants in the main policy divisions will also have gone on holiday. So the policy sections of the Departments will be run down somewhat but elsewhere, holidays are taken by clerical civil servants in the normal way throughout the year.

In a large Department like



The Prime Minister's despatch box is loaded into a Government car at 10 Downing Street to be taken to his country retreat.

Environment, one of the four "workaholics" and others. Mr. permanent secretaries is always Anthony. Wedgwood Benn, living up to his title of Energy Secretary, is very much in the first category. Though he has and available for consultation Essex, two red boxes full of papers are ferried each week from his Millbank headquarters.

At the other extreme—and perhaps unfairly—the grapevine places the Chancellor of the Duchy of Lancaster, Mr. Harold Lever. He is rumoured to retire to Deauville (in the manner of King Edward VII) in a final frenzy of exertion in the last weeks of July and the first week of August to settle unfinished business and it is a constant complaint of Secretaries of State and permanent secretaries alike that the demands of modern Government never permit time for thought and long-term planning.

Some Ministers, however, with a weather eye on next session, have seized the chance of boning-up on one or two of their more intractable responsibilities. The Foreign Secretary, Mr. Anthony Crosland, is said to be surrounded in his Cotswold retreat by books and briefs on the Middle East while the Environment Secretary, Mr. Peter Shore, has with him the orange-covered pages of his transport policy review upon which a decision will have to be made before Christmas.

Ministers vary in their summer workload. The private offices split them up into

65 PENSIONS and BENEFITS

DIFFERENCES in mortality between men and women will no longer be taken into account in ascertaining pension benefits and members' contributions. This is the central theme of the Government's proposals, issued last Wednesday, to end discrimination against women in pension schemes. It means that the Government has accepted the thesis of the Occupational Pensions Board, published two weeks ago, that equal status means equal benefits in identical circumstances.

Most people would agree with this approach; after all this is the era of equal pay and pensions and now regarded as deferred pay. But no Governmental decree can alter the biological fact that women, on average, live longer than men ("women are made to last" is how a female colleague put it) and that applies in both manual and non-manual grades.

Employers may feel that this is far too technical for them to bother with. But the equality proposals will involve extra costs for the pension schemes which will almost certainly fall on the employer, who should therefore study what the proposals are and what extra cost is involved.

Since pension schemes are funded, a bigger fund has to be accumulated to provide the same pension level for women compared with men. Since this extra cost cannot be reflected in the employee's contributions, the burden will fall on the employer.

Differential

This cost differential is accentuated because in most schemes men retire at 65 and women at 60—the same ages as apply in the State scheme. Figures given by the Faculty of Actuaries to the Occupational Pensions Board (OPB), indicate that the funds needed to provide a given pension level for women at 60 has to be 24 per cent. higher than that needed to provide the same level of pension at 65 for men.

The OPB in its report clarified its recommendation of equal benefits by stating that they meant equal rates of accrual for each year of membership of the pension scheme. It is usual now to express the pension benefits as a fraction of final salary for each year of membership such as 1/60th for each year up to a maximum of 40/60ths. Prior to the Social Security Pensions Act, 1975, it was the usual practice for pension schemes to admit

Women to gain equal status

BY ERIC SHORT

men at 21 and women at 25. Thus, in the example above, women could not qualify for the maximum pension by the age of 60.

But with the equal access provisions of the 1975 Act, women and men have to be admitted to schemes on the same terms and it seems that employers are lowering the entry age for women to 21. So now women at 60 can qualify for 39/60ths almost the maximum, and pressure will no doubt start to lower the entry age to 20. The message in the Government's proposals for equal status, as

Government proposals for women to have equal treatment in pension schemes will prove expensive for employers who have to bear the costs.

far as employers are concerned, is therefore that the cost for women members of the scheme will increase.

Fortunately there are very few other shocks in the Government's proposals for employers but there is one decision which will be of considerable importance for some time in the future. The OPB report stated that true equality will not be achieved until there is a common retirement age. This the Government accepted in its consultative document. But the Government also made it clear that it will not be able to change the situation in the State scheme for some time and that until this happened it would not impose any obligations on occupational schemes to have a common retirement age.

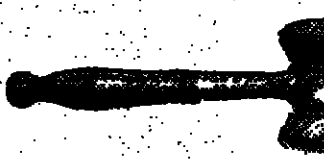
Many commentators have deplored this action and have concentrated on the fact that having a common retirement age would reduce the employers' cost differential for men and women to virtually nothing when survivor benefits were taken into account. But this is very much a levelling-up process, since the pressure is for a common retirement age of 60 rather than 65. Certainly trade union pressure is for 60 and the only fact holding the unions back is the cost of doing this in the State scheme—latest estimates put the annual bill at £1.4bn.

The pensions industry's reaction to these proposals is one of general support, but it fears a possible backlash from employers over the resultant compulsory legislation. The employers' alternative is to cut back on private pension provision and go into the new State scheme.

And the industry is not convinced that the majority of women is at all interested in pension provision. In one major pension scheme which brought in a new benefit scale for women that was even more favourable than that for men, only one-third of existing women members accepted the new scale because it meant higher contributions on a par with men.

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BUSINESS PROBLEMS BY OUR LEGAL STAFF

Capital gains tax limit

This year (i) some shares I own in a property company were taken over for £750 and I made a profit (ii) I am considering switching out some £2,000 of a Government stock maturing soon and held for three years into a longer dated stock. I understand this would not involve me in capital gains tax but your reply of July 21 under the heading capital gains tax limit relating to the disposal of a £750 local authority bond suggests I was wrong. Am I?

No, you are correct. The proceeds of sales of gilts held for more than a year do not count towards the £1,000 limit, so you should be exempt from CGT for the current year—unless there is another cash takeover.

In the reply published in the Business Problems column on July 21, we were making the point that the redemption of a

local authority bond which is not a "security" does not count towards the limit either. We did not mean to imply that every sale (or redemption) of a gilt-edged security will automatically count towards the limit.

It is difficult to avoid ambiguity in necessarily brief comments on complex legislation.

Fresh planning permission

A builder's yard was used as such from 1912 to 1965 when the builder moved away and the premises were used for storage and in 1971 planning permission was granted for redevelopment for residential purposes. The planning consent was not acted upon and I now wish to use the premises as a builder's yard again. Can I do so without permission?

As the use as a builder's yard did not continue after 1965 and a planning permission was obtained based on a different use, it will not be possible to obtain a certificate of established use as a builder's yard or to resist an enforcement notice if you reverted to use as a builder's yard now. You should apply for a fresh planning permission.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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Less priority for housing

THE PROVISIONAL housing figures for July leave the picture much as it was before, sober and unexciting. Comparing the three months to July with the previous three months and allowing for seasonal variations, private and public sector starts and completions were both down on the preceding period but higher than a year earlier. In both sectors the trend of new starts compared with last year is more favourable than the trend of completions.

So far as the private sector is concerned, there are two main constraints on demand—apart from the fact that the slump of unsold houses has not yet been completely worked off. The first is the availability of mortgage finance. At present the building societies are lending at a higher rate than last year but also at a higher rate than new funds are coming in. If other interest rates do not come down—and there seems little prospect of that at the moment—they may be forced to raise their own investment and lending rates, so further increasing the cost of house purchase.

Mortgage supply

The relative increase in the cost of house purchase which has already taken place is the other main constraint on the private sector's demand for new housing. Costs have continued to rise—while incomes have been held back by the pay policy; this discrepancy affects demand both directly and indirectly, through the fact that eligibility for a mortgage advance is related to the borrower's income. Many small builders, therefore, after having secured a stock of unsold houses left expensively on their hands for many months past, last NECD meeting. The first is based on past experience, the second on little else but the need to bring unemployment down to an acceptable level. The average annual growth rate projected for bricks and cement is 0.9 per cent. (against a manufacturing average of 7.9 per cent.) last boom in house prices, it may say, that sudden, sharp fluctuations in demand, especially in the case of an industry

Doubts about the U.S. recovery

SINCE the unsustainable growth rate of the first quarter of the year—largely the result of the turning of the inventory cycle—the growth of the U.S. economy has slowed down considerably more drastically than most forecasts made in the spring suggested. The latest figures point to a growth rate of little over 4 per cent. annually for the six months from April, though possibly with some acceleration towards the end of the period, and despite the large first-quarter gain, some observers are beginning to doubt that the expected 6.6 per cent. rise in output for 1976 as a whole will be achieved.

Puzzling

American experts are far from agreed on this picture, partly because its apparent cause is so puzzling: a sharp rise in personal saving from its already high level, at a time when every hypothesis—whether based on confidence, on movements in real income, or changes in the real value of financial assets—had suggested a fall in savings. Real consumption fell by more than one per cent. between March and July, when real incomes were rising.

Such aberrations in consumer spending have been known before, and it is still perfectly possible that the apparent change in trend is nothing more than a random fluctuation, or a matter of faulty seasonal adjustment. However, the record of forecasting has been so poor since abnormal inflation rates were first seen in 1973 that nothing can be taken for granted; and for the time being, at any rate, opinion surveys show that consumer confidence remains obstinately lower than the Ford administration would consider its just due, or than many economic analysts would consider rational. One possible reason is the rise in the reported unemployment rate.

While economists regard this as a misunderstanding—the rise is due to the rapid growth of the labour force rather than

Materials outlook

It is far from certain, however, at precisely what level the Government wants house production to run. So far as the public sector goes, and it is that over which the Government has most direct influence, there is every reason to suspect that housing, like other forms of public expenditure, is to be cut back. New arrangements for controlling the housebuilding expenditure of local authorities were announced in the middle of last month; and, though their practical effect has yet to be seen, like that of yesterday's circular, they are potentially strict. The emphasis now, in the public as in the private sector, is to be put on bringing the existing stock of housing up to a better standard instead of pulling down and rebuilding indiscriminately.

Such a change of emphasis is welcome, but it would be better if the Government were to resist the obvious political pressures and spell it out plainly. What has in mind can be seen from the two scenarios for growth over the period to 1979 presented to last NECD meeting. The first is based on past experience, the second on little else but the need to bring unemployment down to an acceptable level. The average annual growth rate projected for bricks and cement is 0.9 per cent. (against a manufacturing average of 7.9 per cent.) last boom in house prices, it may say, that sudden, sharp fluctuations in demand, especially in the case of an industry

Bootstraps

From the British point of view a somewhat disappointing U.S. recovery is not necessarily any cause for alarm. It may well imply a somewhat disappointing rate of growth for world trade; but recent evidence suggests that the growth of British exports at present is limited more by the achievable growth of suitable output and marketing than by the size of the total world market. Inflationary pressures—notably in the commodity markets—should be correspondingly less, and the chances are improving that the recent fall in U.S. interest rates will persist for some time—an important matter for the U.K. monetary authorities. However, the U.S. experience is a sharp reminder that British economic strategy cannot be based simply on the hope that a world boom will grab us by the bootstraps and lift us to prosperity; we will have to earn our own passage back.



The Government: Free Democrats Hans Dietrich Genscher (Foreign Minister) and Hans Friderichs (Economic Affairs), above, and Chancellor Helmut Schmidt of the Social Democrats (right).

The Opposition: Helmut Kohl (left) and Karl Carstens (shadow Foreign Minister) of the Christian Democrats and CSU leader Franz Josef Strauss (shadow Finance Minister) above.

German centre gets crowded

By NICHOLAS COLCHESTER, Bonn Correspondent

THERE WILL be a General Election in West Germany in just over a month. The Opposition says that the country's fate is in the voters' hands. Yet even Chancellor Schmidt has been asked in interviews why so far it has been all so unexciting.

The strange thing is that the election on October 3 has every prospect of being a very close run contest. Opinion polls in West Germany have so far not been prone to the errors to which one is resigned in Britain. In recent months they have confirmed that the Christian Democrats—the conservative opposition party—could be within an ace of the overall majority. Yet they have also consistently shown that the Social Democrats under their party leader, Herr Willy Brandt, and the Free Democrats of Foreign Minister Herr Hans Dietrich Genscher could still, between them, muster just enough votes to keep their coalition in power and Herr Helmut Schmidt as Chancellor. But the margins involved are one or two per cent—within the margins of error of any opinion poll—and with a month of campaigning to go, the chances are still fifty-fifty.

Burning issues

So why is the pre-election tension lacking? One can only conclude that it is because the outcome of this battle does not seem to be of great importance to the German people. The burning issues of this election have yet to emerge, and by now one is entitled to doubt they ever will. Economic policy, social policy, foreign policy—none of these areas has thrown up arguments that have gripped the imagination of the voter or epitomised the differing points of view of the contestants. All that is left to the voter is the vaguer "choice" offered by the opposition slogan of Freedom instead of Socialism and the personality battle between Chancellor Schmidt, the Social Democrat, and his challenger, Helmut Kohl, of the Christian Democrat Party (CDU).

The mood of apparent indifference needs to be placed in historical perspective. The coalition of Free Democrats and Social Democrats has now been in power for seven years. Its emergence in 1969 followed a wave of youthful dissatisfaction which swept through Europe at that time. According to the wisdom of hindsight, this turn in West German politics reflected a growing feeling that the entrepreneurial drive of the "Wirtschaftswunder" needed to be replaced by a period of reform that would spread the benefits of the wealth that had been so quickly created.

Days of easy growth

By 1972, a government crisis forced a new election: it was clear that Germany's days of easy growth were over, that inflation was a looming menace and that government generosity was one of the causes of the problems. But Chancellor Willy Brandt again led the coalition back to power on a wave of enthusiasm for his Ostpolitik treaties. These secured the position of Berlin and opened the way towards a more fruitful relationship between West Germany and the Soviet bloc—including the other Germany.

During the following four years, world politics went through a change that propelled West Germany, rather unwillingly, to the centre of the stage. Right on cue, a twist of fate within West Germany gave to the coalition the Chancellor the country needed to fill this novel role. Politics based on the manoeuvrings of two opposed ideologies was suddenly overshadowed by an economic confrontation between the developed and the underdeveloped world. At the same time Willy Brandt was forced to resign by the Guillaume spy affair and was replaced by Helmut Schmidt—a man thoroughly at home in the new situation.

ing away in the winter of 1973-1974. The preliminary euphoria of Ostpolitik had died, the programme of reforms at home was proceeding at a snail's pace, European integration slowed as the inflationary recession tightened its grip. Willy Brandt had lost his energy, and the coalition partners were unhappy with one another. At the same time the political pendulum was, according to local election results and opinion polls, swinging the other way—"towards the Right." More precisely it was swinging towards the centre, for political parties at both ends of the spectrum lost ground as a mood of "no experiments" prevailed among the electorate.

Helmut Schmidt, standing on the Right wing of the Social Democrat party, thus came to the Chancellor's office at the right time. He moved the SPD's image in the direction both the public and the Free Democrats wanted and robbed the CDU of its opportunity. He had the confidence of industry. He handled two cases of terrorism with a sure touch—one in Berlin and another in Stockholm. At the same time he won himself and West Germany world wide respect by urging concerted revolutionary action in those industrialised countries which could safely undertake it.

The Chancellor was supported through all this by trade unions that made surprisingly little fuss about unemployment and which cut back progressively on their wage demands. At the same time, the Left wing of the SPD read the writing of the wall and went into a hibernation from which it has yet to emerge. The SPD's party congress in Mannheim last November was a model of political unity that was almost too good to be true.

So to-day we have the sight of a conservative party that has long been more socially imaginative than other conservative parties in Europe campaigning against a social-liberal coalition whose Chancellor is dead centre and whose Left wing is silent. Every recent political dispute has ended in a compromise acceptable to all three parties: investment planning has

been buried, *mitbestimmung* (worker participation) watered down, the treaties with Poland retouched to the CDU's satisfaction. When the foreign observer sees that both parties are using variations of the German flag as their colours in the election campaign, that voters are being urged to vote CDU "out of love for Germany" and for the SPD because Germany is "a model for others," he can be excused for concluding that the opponents in this election have more in common than divides them.

All in all, it is not surprising that 78 per cent of the answers to a recent opinion poll said that it would make little or no difference to government policy if the CDU were to come to power in October. Indeed, if one picks up the election manifesto of either side and dips into it without looking at the cover one has difficulty establishing whose it is.

Given the difficulty of generating specific argument, the parties have resorted to other tactics. The Christian Democrats appear to have touched a nerve in the public with their slogan "Freedom or Socialism." Their explanation of this slogan is that the coalition is, in a "socialist experiment," insinuating itself into every area of people's lives, cramping their freedom with more and more State involvement and bureaucracy.

Danger to peace

Herr Schmidt has retorted that the CDU is a danger to social peace—a rather toned down version of Willy Brandt's original claim that the Conservatives were a "security risk." The Chancellor's argument is that the CDU will cut social services and force the unions to put in inflationary wage demands. Indeed, now that it has been announced that the ebullient Franz Josef Strauss, the leader of the CDU's Bavarian sister party, the CSU, would be Finance Minister in a CDU government, it is probable that taxes and government spending will be important themes in the election rallies to come.

The rest of this election is about the personalities involved—and mainly those of the two candidates for the office of Chancellor. Helmut Kohl, who is 46, is little known outside West Germany, mainly because he has never had a post in national government. He is Prime Minister of the Rheinland-Palatinate and has been chairman of the CDU since 1973. He was chosen by the CDU-CSU to be the party's candidate because it was feared that Franz Josef Strauss's character and views might prove a little extreme for the middle-of-the-road voter.

Helmut Kohl is projected as the man the normal citizen can relate to. He has integrity and good heart, is a good team player, is not a specialist but a man of general activities, is true to people and principles. If these sound rather woolly attributes for a future Chancellor it must be said at once that Herr Kohl has proved himself to be a remarkably fast-moving politician when the occasion demands.

Helmut Schmidt, in contrast, has a world reputation and is in some ways the antithesis of Kohl, who has himself criticised the Chancellor for the cult of the "lonely superman." Herr Schmidt is a poor delegator, preferring to apply his formidable mind to everything himself. He is often asked for his opinion about other people's affairs and he often delivers it: he has thus been blamed for resurrecting the old German image of rather abrasive superiority. He is respected rather than liked by voters, and this goes for most of his political associates too. The key point is that many more voters think that Helmut Schmidt should remain Chancellor than that Kohl should displace him.

From now on the personality campaign moves into high gear. The Free Democrats are to criss-cross the country with the quartet of able ministers they contribute to the coalition—Hans Dietrich Genscher, Hans Friderichs, Josef Ertl and Werner Maihofer. Exhausting but campaign trips await Herr Schmidt, and Willy Brandt, when he finally gets there in Helmut Kohl and Franz Josef Strauss.

Perhaps their efforts will inject some life into this election. For the moment the political atmosphere remains stultifying and with an indefinable sense of storm ahead. For despite the lack of debate it is not as though "model Germany" is devoid of problems. Leaving foreign policy aside, there are signs that entrepreneurial vigour within West Germany is dwindling. These signs go beyond the cyclical movements of the economic statistics: they have to do with a long-term disinclination to invest, with a decrease in labour mobility, with the lack of executive jobs for an increasing number of clever people. West Germany has put on fat. The ideological argument about what should be done about this has been put on ice for the moment, but the argument will re-emerge and the Left-wing of the coalition will surely not sleep through it.

Lockheed affair

Lastly and least predictably there is Lockheed—not so far part of this election campaign but hanging over it like a storm cloud. This scandal has struck like lightning into Japan and Italy and Holland and with every new development West Germany looks increasingly remarkable for having escaped it. West Germany bought almost 1,000 Lockheed Starfighters in the early 1960s at a time when Herr Strauss was Defence Minister and there have been allegations in America that this resulted in payments to his party, the CSU. These have been strongly denied. Perhaps the West German Government has been burrowing behind the scenes, but in public there is no evidence of haste on Bonn's part to arrange access to the material that Lockheed has made available to the Justice Department in Washington. The man from the Bonn Justice Ministry is not going to America to-day or to-morrow. There is a small chance that when he finally gets there in Helmut Kohl and Franz Josef Strauss.

MEN AND MATTERS

Explaining the shortage . . .

"It's not that they've lost interest," declared a senior civil servant cheerfully. "It's just that they've lost the number." The British public's short memory and a drop or two of rain over the bank holiday weekend combined yesterday to give him and those under his command running the emergency drought information unit a relatively quiet life after the excitements of last week.

Shortly after the somewhat eccentric appointment of sports minister Denis Howell to be water "supremo," the unit was set up to deal with public inquiries. And for the first few days, shifts of a dozen Department of the Environment people manned the unit 12 hours a day and were handling 230 calls an hour. At that rate, anyone wanting to get through had to show considerable persistence.

To those who ring up and complain about their neighbours' activities, it takes a degree of patience and diplomacy to explain that the 1945 Water Act has been invoked to ban the hosing of gardens and motor cars but individual water authorities have to seek orders under the new legislation to ban the hosing of garden swimming pools which can take 20,000 gallons.

Most of those who ring want to "make a little contribution" to solving the general problem, and that usually means telling them about re-using bath water and so forth. The sculptor and professional photographer who wondered about using water as usual, and the lady with "hundreds" of fish in a garden pond to care for, were advised to carry on but to try to "carry your neighbours with you." In other words, tell them what you're doing with the

water to save them ringing the DoE, too. The man who wanted to reopen an old well in his garden was warned to contact his local water authority, which in all probability is the ultimate owner of the water beneath and so wouldn't be keen on the idea. Those thinking of drilling boreholes are warned that a licence is needed; and the few who ring up to complain about illicit use of water by others were told details would be forwarded to water authorities.

On duty with the unit yesterday was a chemist (Whitehall dictums mean he, like his colleagues, should not be identified) who said that rainwater should not be overlooked. As long as it hasn't passed along filthy gutters or come off roofs, it is usually good enough for washing the face and reckoned a bonus for the complexion. The chemist frowned when I admitted my wife was still using her automatic washing machine. That takes perhaps 50 gallons a wash. His wife is back to the sink: "It wouldn't do, when you think what the neighbours would say about where I work." Never mind, the crisis may soon be past—as long as it rains from now till Christmas.

. . . but what about the excess?

Denis Howell has not been particularly in favour as far as the cricketing fraternity goes since he cancelled a proposed tour of the U.K. by a Rhodesian team earlier this year. In that case the complex arguments ranged over whether the side was a "club" side or a "national" side, and the Sports Minister decided to opt for caution. Over the week-end Howell has been unpopular with the same fraternity—but this time in a rather less serious

fashion. Until Saturday, the last substantial rainfall seen at Lord's was on the Saturday of the Lord's Test Match—when play had to be abandoned for the day. This week-end the Prudential Trophy one-day game between England and the West Indies at Lord's was severely rain-affected, as was yesterday's at Edgbaston: due to be played on Monday over 55 overs that was finally limited to a 33-over match on the second day reserved for the fixture.

Cricketers are now arguing that Howell has two jobs which involve a considerable conflict of interest. How can you be Minister of Sport and drought Minister at the same time? One crony MCC member who wrote a rude letter over the Rhodesian affair was overheard to remark that he was again going to write to the Sports Minister, this time to say "you are a bloody good rainmaker."

New dimensions

A while back I referred to an article which appeared in *Interface*, the house journal of Cambridge Consultants. That was by two scientists and put forward the theory that the Israelites' manna was actually the product of a machine donated by extra-terrestrial beings.

Now the magazine's editor, Joan Gray, throws a new light on herbs and spices which she describes as "wonderful substances." She explains, "they can not only be used to flavour food and make teas, but have many other uses besides. Borage, for example, can be used to cure depression. I can't remember it exactly, but one recipe for a cheering borage cup goes something like this: take a large bowl and put a handful of borage leaves in the bottom, add one bottle of brandy, one bottle of sherry,



"Beware of Greeks bearing ships!"

one bottle of benedictine, one bottle of claret, and stir well. Take out the borage leaves and throw them away. Float some of the pretty blue borage flowers on top of the bowl, drink the remaining liquid from a tall glass, and wait for pessimism to evaporate." Cheers.

Glory to come

"Why are you wasting your time praying?" a Russian commissar demanded of an old peasant kneeling at the roadside. "You should be working in the fields for our glorious Communist state."

"Our glorious Communist state is what I'm praying for," the old man explained.

"And I suppose years ago you prayed for the Tsar—and look what happened to him," said the commissar. "Exactly," came the reply.

Observer

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AIR CANADA

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SOCIETY TO-DAY: After Notting Hill

BY JOE ROGALY

The Premier and the West Indian nettle

THOSE WHO must shoulder Carnival in the Notting Hill area of the blame for what area. A force seven times as many as in Notting Hill on large as the one that attended the parade, but the successive surely have contributed to the problems, in both Conservative tension in a part of London in and Labour governments, who which, as the Yard knows very well, to tackle the social well, the police are regarded as the West Indian citizens, natural enemy. The whole Neither Mr. Edward Heath nor exercise was an error of judgment. Mr. Harold Wilson provided the Prime Ministerial leadership. This can best be seen, if one that will be necessary before, starts with the police explanation of the requisite drive and sense of why they went in in of purpose is injected into a such large numbers. It is a programme of the kind that has been explained, if you ignore long been overdue — a programme that would seek to lift these people out of the squalor, near-illiteracy and unemployment into which far too many of them have fallen. We must hope that Mr. Jim Callaghan will do better; his proposed committee of junior ministers will not in itself be enough.

This is not to say that those who were directly involved are all innocents. If someone breaks a window, or steals from a shop, or picks a pocket, or throws a stone at a policeman then he or she commits a crime and should be arrested and taken to court. The social explanation of the behaviour of the crowds during the affray on Monday night does not constitute an excuse for the actions of individuals at that time. Wishy-washy liberalism, in which the vandals are described as the victims, is out of place in any sensible discussion of these incidents.

It would also be less than fair to aver that the police were in the right. All the reports suggest that Scotland Yard was too heavily handed on Monday. It should not have sent 1,500 uniformed men to police the



Notting Hill, Monday evening.

turn a blind eye to the petty crimes involved, in the interest of better relations with the West Indian community? Sir Robert Mark says that there will not be any "no-go" areas in London.

All this is good solid police reasoning, based on a long tradition that has given British police a deservedly high reputation in most parts of the world. But if future clashes are to be avoided, the police must be changed in its finer details by the police themselves and in its broader judgment by the politicians whose neglect over the past 20 years has resulted in so much damage.

The first reason for this is the present state of police-West Indian relations. Never mind what the professional opponents of Scotland Yard say, take the Yard's own memorandum to the

Select Committee on Race Relations and Immigration, presented in March this year. It says it is natural for police officers to be defensive when faced with "generalised distrust" and "unjustifiable criticism."

"When, however, one particularly identifiable group, such as the West Indian community, consistently appears to view police with a jaundiced eye, mutual suspicion is first created and then reinforced," says the memorandum by the Metropolitan Police.

In a subsequent paragraph it goes further. "When troubles do occur between West Indians and police or when local relations deteriorate one or more of three factors are likely to be involved — the presence of socially alienated, unemployed black youth, political demagoguery or a law enforcement situation," the memorandum says. It tells of 40 incidents in the previous twelve months in which West Indians combined against police who were arresting one of their number, and gives several examples — including that of a reggae festival in which a crowd of 200 prevented two police youth who had threatened another with a knife. It talks of the "increasing likelihood of such occurrences."

When Scotland Yard puts all this on one side of the scales and the likely occurrence of pick-pocketing, assaults and even stab-knife fights on the other it comes out for "law enforcement," even though every decision to use its forces in one place must mean less use elsewhere and there can in practice be nothing near the

blanket policing of every street in the Metropolitan district to which Sir Robert referred yesterday. Yet if this were the whole story it would be a fine balance and the police could not easily be accused of erroneous judgment.

It is not, however, the whole story. On the other side of the scales one must also place the unquantifiable damage to race relations of incidents such as those everyone saw on their television screens on Monday night. The long, painstaking and wholly praiseworthy efforts of Scotland Yard to train its own officers in "community relations," the immense amount of time and labour spent in building bridges between the police and the West Indian people, and the frustrating drive to encourage more black people to join the force will all have been set back. The dark hostilities felt by some "black power" groups will have been magnified and their own recruitment will be that much easier.

On the white side the racialism that lies just below the surface of so much of British society will have been given another flip. Those who have long wished to speak adversely about West Indians but have felt inhibited from doing so may now feel that much less inhibited. Those on the far Right who feed on this kind of thing will be delighted.

Perhaps the police should not be expected to see the scales in this way; after all, its own stable and officers might reasonably be expected to hold political opinions that represent a cross-section of our society. The responsibility for leadership of a broader approach must be a political one, which

appointments of their coloured population."

Just a few figures make the point. The proportion of West Indian families living in overcrowded housing is ten times that of the country as a whole, says Mr. Walker. The GLC has itself acknowledged that non-whites are likely to find themselves in the least desirable council estates. In the city-centre schools where West Indian children are concentrated, turnover of teachers has been very rapid, at least until the recent leap forward in teacher unemployment. Truancy is common; it is my experience that teachers who have managed to keep a class quiet can be found in many such schools. Mr. Walker believes that by February this year there was one unemployed for every five West Indian households.

There is no need to exaggerate. Some recent evidence suggests that West Indians were even worse off ten years ago, and that numbers of them are making their way in society. But many of those who are now so frustrated have grown up here, and come to young adulthood at a time when standing up for your rights is the norm. Those who steal or assault must be classed as criminals, but those who crowd round to prevent the police from arresting them must surely be seen as expressing a kind of social or political anger, however inarticulate. The question is, how many more Notting Hills, at what level of violence, will we have to endure before our political leaders come to see, as the Americans did at last, that they have a job to do.

Cast-iron

The case for such a programme is cast-iron; it was set out with great clarity by Mr. Peter Walker in an open letter to the Prime Minister published in June. The reality of the West Indians' bad housing, bad education and high unemployment is of such dimensions, said the Tory former Minister, that, "unless tackled effectively and quickly, it will bring to Britain the crime, the bitterness and the resentfulness that have been such a tragic feature of those American cities that equally failed to identify the aspirations, hopes and deep dis-

Letters to the Editor

Out of town retailing

From the Managing Director, Makro Self Service Wholesalers.

Sir—There has been a good deal of publicity in recent weeks in the easing of restrictions on the development of out-of-town retailing and the so-called hypermarkets. As far as the independent retail trade is concerned, a number of points are worth noting.

Economics of scale of hypermarkets can allow cost savings and these may be passed on in lower prices to the consumer. As far as the community is concerned, this benefit is largely only available to the motorised hopper. The less-affluent minorities of our society, the pensioners, one-parent families, poor families, etc., those in fact in need of lower prices will receive no benefit. These minorities need the local convenience store and it is important for all communities that their future should be safeguarded in some way. They should not be subjected to over-competition from number of major hypermarkets. Retail trade is not increasing at the moment in the UK and in overall terms there are already too many shops there than too few.

The dangers of the large multiples buying their way into a market and destroying small-scale competition is a reality. It is over-saturation effect, as far from France and Belgium where, in future, hypermarket development will be far more closely controlled.

No doubt large-scale out-of-town retail units can offer advantages, but these must be balanced off against the current needs of all sectors of the community. The independent trader should not be subjected to the excesses of a rush of supermarkets.

Makro, the company I represent, has of course, a vested interest in the survival of the all independent retailer. I consider it only right that his case should be heard, lest it be obliterated by the noisy hordes of PR men from the supermarket groups.

Ph. Hoegen.

Willes House, Albert Street, Leeds, Manchester.

The cost of a meal

From the Chief Executive, White Catering.

Sir—With British industry taking every avenue to reduce costs it is surprising that more & more are not focused on staff saving losses.

In Graham Lewis, Chief Executive of the Grand Metropolitan Hotels Industrial division is called last week for expelling from the BHRGA "for making unethical estimates" in order to gain industrial catering contracts. However, it is omitted to mention as long as British industry puts such "estimates" they never cut canteen costs because they are signing blank cheques. Continental and American counterparts look at this with a "cost-plus" line contracts, involving no whatever the cost of the factor. Fixed cost contracts the norm within other divisions of industry but unheard of in the catering industry. Since the cost-plus factors are happy collecting fees and passing on the

Unkindest cut

From the Head of Music Staff, Scottish Opera.

Sir—Mr. Ronald Crichton, in his review of Scottish Opera's production of Verdi's "Macbeth" at the Edinburgh Festival, refers to "some nasty cuts" and speaks of two. Unless he is referring to the omission of the ballet in the second "Witches" scene, in which case he should have been specific about that as a production problem, it is difficult to know what he means. The omission of one verse of the Cabaletta for Lady Macbeth in Act 1 is standard practice elsewhere, and indeed is paralleled in most performances of a score of operas of the genre. Apart from that, we cut a very few bars of orchestral linking material, and a few whose exclusion was made necessary by the inclusion of Macbeth's death-aria in the last scene.

The unkindest cut of all is Mr. Crichton's, aimed at an alleged truncation of the Finale of Act 1, which was in fact performed complete to the last demisemiquaver. This reminds me, upside-down as it were, of a famous occasion many years ago, when an unfortunate soprano of the Sadler's Wells Opera was severely castigated by a reviewer for her performance of an aria in "Don Giovanni," which was omitted on the evening when he attended.

Leonard Hancock, Edinburgh, Glasgow.

Railway management

From the Divisional Manager, British Railways, Western Region.

Sir—I should like to comment on the items raised in the letter from Mr. Heath-Saunders (August 25).

Guards' duties are clearly laid down by British Rail and there are no exceptions to the role of the guard on the Exeter to Barnstaple branch. British Rail Management are always aware, however, of their ability to adjust train services in a manner to ensure the best utilisation of staff and resources. In the case of Barnstaple, readers will be aware the line featured in several changes in March this year when the train service was adjusted both in and out of season to effect realistic economies.

The fact that there was such strong public and political reaction illustrates the important part this line plays in the locality and the need for the service to continue at its present level. I would like to say that during a normal week some 2,500 people use Barnstaple Station and this increases to 7,500 during the summer, with the total in a full year approaching 200,000.

Mr. Heath-Saunders suggests that guards could be more properly employed by full-time staff in a short space of time, filling the role of the Barnstaple "Booking Office." In fact that

office is a Travel Centre, serving the travel needs of the population of the whole of North Devon and some parts of North Cornwall, also the many thousands of travellers who journey to this area during the holiday period; not merely by selling tickets but contributing much more in terms of customer service in this very large area. Most of this service is by telephone, involving advance bookings and reservations, and general enquiries, and the decision of the customer to travel by rail. But even if recognition is limited to the actual business created by passengers originating in North Devon alone, the Barnstaple office is responsible for revenue of £250,000 each year.

While your writer does not mention it, the staff at Barnstaple also has responsibility for considerable flows of freight and perishable traffic.

I hope your readers and Mr. Heath-Saunders will find these facts interesting and helpful in understanding a situation which, clearly, is not quite the simple problem suggested in the letter.

J. R. Barker, Transom House, Victoria Street, Bristol.

The price of a product

From Mr. M. Brady and Mr. C. Tame.

Sir—Sir John Arbuthnot (August 25) argues that since "some 80 per cent. of the cost of water supply relates to fixed capital equipment to bring water to the premises at all... only... the remaining 20 per cent... could equitably be subject to variable meter charges." This confused reply overlooks the fact that the market price would be determined by the demand for the available supply at any given time—not by the cost of production. Sir John's reference to an equitable allocation of costs reminds us of the medieval philosophers' search for the "just price." We trust that the technology employed by his water company is not as antiquated as his economics.

Mark Brady, Chris R. Tame, The Radical Libertarian Alliance, 25, Hawthorn Road, Godalming, Surrey.

The marking of bargains

From Mr. E. Storey.

Sir—There has been a good deal of argument from time to time about the system of marking bargains on the London Stock Exchange, and I have no hesitation in saying that the present practice is long overdue for revision.

As an example of what happens, I would like to quote that on August 13 when there were seven marks in Slater Walker between 21 and 15 the latter was marked "special"; on August 18, when there were five marks between 21 and 15 the latter was again marked "special"; and on August 19, when there were four marks between 21 and 15 the latter was again marked "special". On inquiry it was found that on both occasions the "special" marks only indicated that two shares changed hands.

This sort of thing is, of course, utterly wrong. People unaware of the meaning of the marking of shares would be misled by the value of the stock fall to such of his title. Ralph Instone, 13, Old Square, Lincoln's Inn, W.C.2.

GENERAL

Prime Minister meets leaders of TUC to discuss unemployment.

Mr. Denis Howell, Minister responsible for water resources, outlines to Cabinet meeting large scale contingency plans for water supplies.

Cuts in water supplies to industry begin in South East Wales valleys towns.

Government brucellosis eradication scheme—under which farmers are entitled to compensation for each animal destroyed—comes into effect in certain areas.

Toyota (GB) makes new application for distribution centre in Bristol.

New safety requirements for household electrical equipment come into force.

To-day's Events

International Congress of Genealogical and Heraldic Sciences continues at Imperial College, S.W.7.

League's special envoy.

Financial Times two-day World Aerospace Conference opens at Hilton Hotel, W.1. Guest speaker at lunch, Lord Boyd-Carpenter, Chairman, Civil Aviation Authority.

Annual meeting of British Association for the Advancement of Science opens in Lancaster under presidency of Sir John Baker.

United Nations symposium on use of solar energy continues in Geneva.

12.15. Johnson-Richards (H. and R.) Times, Stoke-on-Trent, 12.30. Technology Investment Trust, 8, Crosby Square, E.C.12. Wheeler's Restaurants, 17, High Street, Kensington, W.3. Wilson Bros., Hayes, Middx., 3.30.

COMPANY RESULTS

Albright and Wilson (half-year). Decca (full year).

Matthews Wrightson Holdings (half-year). United States Deben Corporation (half-year).

COMPANY MEETINGS

Bonass Webb, Worcester, 11.30. Bristol Plant, Bristol, 11. Carlton Industries, Bristol, 11.30. Cawoods, Harrogate, 12. Comben Group, Bristol, 10.30. Concrete, Iver, Bucks., 3. Great Portland Estates, Cafe Royal, W.12. Initial Services, Connaught Rooms, W.C.2.

EXHIBITIONS

London Postmarks (1840-1912), Gibbons Gallery, 39, Strand, W.C.2 (9.30 a.m. to 4.30 p.m.) until September 30.

Motor Cycle Exhibition, Earls Court.

SPORT

Cricket: Fenner Trophy Knock-out Competition, Scarborough. Golf: British Women's Open Championships, Fulford. Tennis: Junior Championships, Wimbledon.

CONTINUED PROGRESS EXCELLENT PROSPECTS



Robert F. Hunt CBE
Chairman and Chief Executive

* Turnover up 28% to £122 million.

* Exports and overseas interests contribute one-third of total sales.

* Profit before tax up 39%.

* Despite the worldwide recession in civil aviation our aviation business prospers. Orders are at a record level, up by 20%. Additional manufacturing capacity is being provided to meet increased demand.

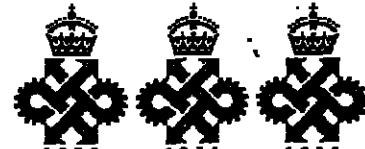
* Prospects for our coalmining equipment are buoyant with the worldwide demand for more coal. Exceptional progress has been made overseas, particularly in N. America.

* After a quiet start to the year, the industrial division orders improved in the second half. As markets gradually recover, we are reaping the benefit of our investment in new plant and high technology products.

Our Results in Brief	1975/76	1974/75
Turnover:	£121,814,000	£94,851,000
Profit after interest but before tax	£13,136,000	£9,456,000
Profit after tax	£6,027,000	£4,886,000
Profit after tax per share	16.1p	13.2p
Dividends per share	5.4p	5.0p
Times covered by profit after tax	3.0	2.6

The Annual General Meeting will be held at Arle Court, Cheltenham on Thursday 7th October at 11a.m. Copies of the report and accounts available from the Company Secretary.

DOWTY



COMPANY NEWS + COMMENT

Ladbroke nears £6m. after six months

FOR THE half year ended June 29, 1976, pre-tax profits of the Ladbroke Group reached a record £3.98m, an increase of 18.1 per cent. on the first half last year. Turnover was 21.1 per cent. higher at £149.94m.

Net earnings per 10p share are 6.2p (5.4p) and the net interim dividend is lifted from 1.34p to 2.025p. The directors intend to pay a maximum permitted total of 4.325p for 1976 compared with 4.1175p last year, when pre-tax profits totalled £3.38m.

The directors explain that turnover and expenses of the holiday division are excluded from the first half results since most of the season falls in the second half of the year.

The group remains in a strong liquid position, is set for another good year and continues to face the future with confidence.

	1976	1975
Turnover	149.94	124.54
Trading profit	3.98	3.38
Finance	0.17	0.17
Overseas	0.17	0.17
Interest	0.17	0.17
Pre-tax profit	3.98	3.38
Tax	0.17	0.17
Net profit	3.81	3.21
Minority interest	0.17	0.17
Pre-tax profit	3.98	3.38
Available	3.81	3.21

Trading has been buoyant, the directors say, although margins have slightly decreased, particularly in the betting divisions which have been affected by the smaller number of runners in recent months.

The achievement of additional turnover across the group however, has more than compensated for this.

Two of the divisions, casinos and hotels are benefiting directly from the increased number of tourists visiting the country and the holiday centres are doing record business through being able to offer low cost holidays to the British public.

In his report for 1975, the chairman Mr. C. Stein, said that negotiations were taking place to let a substantial part of the Square de Meuse development in Brussels.

An agreement has now been concluded with the Belgian Ministry of Public Works whereby the principal departments of the Ministry of Justice will be occupying over 30 per cent. of the office content.

The rent, with annual indexation linked to the cost of living, will commence on September 1, 1976. The remainder of the building will be available for occupation shortly and negotiations are proceeding for the letting.

See Lex

Progress at Joseph Stocks

PRE-TAX profit at Joseph Stocks and Sons (Holdings) for the year ended March 31, 1976, rose from £422,225 to £330,370.

Final dividend is 2.48p net per 25p share, against 2.25p last year, making the total for the year 5.48p (5.25p). Earnings per share are 24.19p (24.11p).

Turnover increased in 1976 to £29,641,567 (£25,000,000). The group trades on wholesale provisions, merchants, importers and distributors.

COMPANY	Page	Col.	COMPANY	Page	Col.
AVP	16	5	Hill Samuel Life Assn.	15	7
Baxter Fell	14	4	LMJ	15	1
Braine (T. F. & J. H.)	15	8	Ladbroke	14	1
Brathwaite & Co.	14	5	Leslie & Godwin	14	2
British Debt Services	15	1	ML Holdings	14	3
Brocks Group	14	2	Plastocraft	14	7
Cement Roadstone	15	4	Rowton Hotels	15	2
Centre Hotels	15	3	S.E.E.T.	15	5
Grendon Trust	15	3	Stocks (J.) & Sons	14	1
Harland & Wolff	14	5	Sunley (B.)	15	4

Brocks halfway upsurge

FIRST HALF 1976 turnover of The Brocks Group of Companies increased from £2,360m. to £3,831m. and pre-tax profit advanced from £15,200 to £470,220. For the year 1975, profit increased from £686,714 to £887,420.

Tax for the six months cannot be assessed accurately at this stage, but it is again expected to be below normal.

The interim dividend is stepped up from 1.15p to 1.265p net per 10p share, and it is intended to pay the maximum permitted total of 2.535p for 1975.

In view of the improved liquidity position of the interim will be made on November 15, 1976, instead of early January, 1977, as would have been customary, it is stated.

The figures have been adjusted to exclude those relating to ITR (Hldgs.) disposed of in December, 1975.

The company manufactures electronic and security equipment.

Brocks Group, fresh from its November 1975 sale of ITR for £1.8m. cash, has started the year in great shape. Interim pre-tax profits are 49 per cent. higher (on a strictly comparable basis) reflecting both a strong performance from the marine equipment division and a halving of interest charges to around £70,000.

The balance sheet has continued to strengthen since the end of last year, with net debt now down to around £6m., against £11m. in the last accounts. Moreover, with the alarms division, static in the first half, now beginning to pick up following the introduction of new management, the group's earlier forecast of maintained full-year profits (without the £350,000 which ITR provided last year) now looks a minimum expectation. The shares at 49p, yielding a prospective 10.1 per cent., covered twice, therefore seem on fairly firm ground.

Leslie & Godwin

First half 1976 profit of insurance brokers Leslie and Godwin (Holdings) was £2.31m.

before tax of £1.2m. After extraordinary items and minorities, the attributable balance was £1.00m.

A £1.00m. interim dividend is held at £1.00m. net.

For the full year 1975 profit was £3.46m, subject to £1.76m. tax. The attributable balance was £1.88m. and dividends totalled £3,650,966.

comment

Perhaps prompted by the abortive merger attempts this summer with William Pollard, Leslie and Godwin has produced its first set of interim results. Although comparisons are impossible, the group does look well on the way to the £4.2m. pre-tax profit that some outside estimates suggest.

Last year it faced double running costs in its move to Farnborough and certain exceptional expenditure, the absence of which could all add another £2m. to this year's profits, so interim results are well up to expectations. Insurance brokers' shares generally have been weak over the past couple of weeks, but Leslie's prospects, even if bid hopes are now out of the window.

comment

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comment

A 23 per cent. jump in pre-tax profits in the closing half of the year from ML Holdings, after the 8 per cent. increase in the first half, was enough to push the shares 2p higher to 65p. The

picture is always distorted by irregular contract completions, so it is a false impression that ML started this year on a buoyant note. Apart from aviation design work, which is still very active, demand has been fairly slack over since January, and it will need a pronounced upswing in the cycle before ML's profits really start to move ahead. So with a dull start to the year, it is "touch and go" whether the group can hold full-year pre-tax profits during 1976-77 to last year's £800,000. Still, the yield of 84 per cent. does have a little in hand against the engineering averages to offset this uncertainty.

Baxter Fell midway recovery

FIRST HALF 1976 profit of Baxter, Fell and Co. expanded from £238,065 to £472,642, subject to tax of £245,774, against £123,809.

And the chairman, Mr. D. R. Peacock, says he expects profits to improve in the second half and to be comfortably in excess of those of 1975. Profit for the year 1975 was down from £1,017,241 to £802,251.

Last April Mr. Peacock forecasted a useful increase in profits for 1976, and he now comments that the interim result takes the group a considerable way towards achieving that forecast.

Steel has continued to prosper, he reports, and with the reorganisation of the retail display division completed, he believes the contribution of the rest of the group including wharfing will improve in the second half.

The interim dividend is stepped up from 2.5125p to 2.7625p net per 25p share. Last year's total was 5.54p.

A revaluation of the Northfleet freehold shows a valuation of £2,100,000, against a book value of £1,976,785.

comment

Baxter Fell's recovery, which began in the second six months of last year, has gained pace in the current year, lifting the first-half pre-tax level by 98 per cent. The absence of the dock strike, which helped to depress the corresponding period, must take much of the credit for the acceleration, but the group has also seen a strongly improving trend in its steel division plus some loss elimination in retail display.

The balance sheet is still strong, with no borrowings, and cash at least equal to the £350,000 in the last accounts. Although the group may still fall short of a full recovery this year to the peak £1m. pre-tax level achieved in 1975, there seems no reason why the second six months should not be at least as profitable as the first. This would provide annual earnings of 27.9p, which puts the shares at 88p on a prospective p.e. of 3.1, and would cover a maximum dividend, yielding 11 per cent., more than 4½ times.



Mr. Alan Stocks, chairman of IAS Cargo Airlines, who announces pre-tax profits of £494,000 for the year to March 31, 1976. He describes the results as disheartening but adds that the directors are determined to sustain a modest expansion programme. Demand for air freight in the current year is increasing and the company anticipates expansion in carryings to some 30,000 tons by the end of the period. Although a pre-tax profit of not less than £0.5m. is expected for the current year, some 30,000 tons by the end of the period. Although a pre-tax profit of not less than £0.5m. is expected for the current year, some 30,000 tons by the end of the period. Although a pre-tax profit of not less than £0.5m. is expected for the current year, some 30,000 tons by the end of the period.

Harland & Wolff loss halved to £7.8m.

BY JOHN WYLES, SHIPPING CORRESPONDENT

Harland and Wolff, the Belfast shipbuilder, reported a £7.8m. loss last year but is on course to keep its total deficit on the present order book within the £50m. limit set by the Government.

The company is owned by the Northern Ireland Department of Commerce and its final figures are no worse than the Government expected. Ministers may even be taking heart from the fact that 1974's £16.5m. loss has been more than halved. Harland's chairman, Sir Brian Morton, thought yesterday that the results were "an encouraging trend" and claimed that "the shipyard was on its way towards achieving productivity increases necessary to complete current orders within the £50m. limit of Government support."

However, this could prove a hollow victory unless the company can win new orders in the teeth of a shrinking world market for new ships and sharp international competition. The present order book will run out in 1978 and the future of the yard is one of the toughest political problems facing the Northern Ireland office which is keenly aware of Harland's importance as Belfast's major employer.

Without new orders many of the 9,500 jobs at the yard will be difficult to maintain beyond the middle of next year. However, the threat of unemployment may be even nearer because of doubts surrounding a large tanker ordered by the ailing Maritime Fruit Carriers while the building of a bulk carrier has been delayed because of the prospective owner's financial problems.

Despite remarking on productivity increases, Sir Brian's statement with the figures acknowledges that "there is still some way to go, however, and further strenuous efforts are being made to reduce the gap which still exists between the company's performance and that of major companies outside the U.K."

The company is pinning its hopes on improved performance coming from completion of a £53m. development plan which will give the yard the up to date steel handling facilities and from

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Despite remarking on productivity increases, Sir Brian's statement with the figures acknowledges that "there is still some way to go, however, and further strenuous efforts are being made to reduce the gap which still exists between the company's performance and that of major companies outside the U.K."

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre. of payment	Total for year	Total last year
Baxter Fell	2.76	Oct. 29	2.31	—	3.35
T. F. & J. H. Braine Int.	1.06	Oct. 1	0.96	—	2.81
Brocks Group	1.27	Nov. 15	1.15	—	5.5
Cement Roadstone	2.25(a)	Oct. 9	2.25	0.96	4.87
Centre Hotels (Cranston)	0.84	Nov. 12	1.25(a)	—	3.61
Clondalkin Paper	1.53	Oct. 12	1.237	—	4.12
Ladbroke	2.02	Oct. 29	1.84	—	3.09
M. L. Holdings	2.45	Oct. 5	2.14	3.47	3.25
Rowton Hotels	2.2	Oct. 25	2	—	42
Small and Tidmarsh	1.1	—	2.25	3.48	—
Joseph Stocks & Sons	2.48	12	12	—	—
Union Corporation	12	12	12	—	—

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On capital, increased by rights and/or acquisition issues. (c) Gross.

Upturn at Plastocraft

Excluding associates, pre-tax profit of Plastocraft Products (Darwen) rose from £9,886 to £27,946 during the year to January 31, 1976. According to the directors, profit would have been higher by consolidating the share of the profit attributable to the company's 23.54 per cent. holding in Crane and Sons (Holdings) whose accounts have not been finalised owing to discussions with the price commission and possible changes in accounting procedure including Crane, profit for the first eight months was £45,919 compared with £3,750 in the previous comparable period. The directors feel it prudent to conserve resources for future development and therefore no dividends have been declared (same). However, they hope to restore payments for the current year. Earnings per 10p share are shown to be 1.13p (0.67p). They are actively pursuing the possibilities of enlarging the scope of the company's business in the retail service and leisure fields.

The Phoenix Timber Company Limited

Year ended 31st March 1976.

- * Turnover maintained at £31 million.
- * Dividend increased to maximum permitted.
- * Exceptionally good results in first quarter of current year.
- * Profit for first six months of current year expected to exceed whole of that for last year.

	1976	1975
Sales to external customers	30,876,000	30,886,000
Profit before Taxation	440,000	261,000
Taxation	257,000	146,000
Retained profits after extraordinary items	89,000	(555,000)
Earnings per 25p Ordinary Share	6.3p	3.9p
Ordinary Dividend per 25p share	3.47p	3.2p

The Annual General Meeting will be held at 12 noon on Thursday, 2nd September 1976, at Phoenix House, Manor Way, New Road, Rammthor, Essex, from which address copies of the 1975-76 Report and Accounts may be obtained on application to The Secretary.

Wheeler's Restaurants Limited

A YEAR OF GROWTH

I am pleased to be able to report a record year's trading. I am sure you realise that our recent price increases have only covered rising costs. We are not allowed to add any percentage for profit. We have however managed to keep a careful control of costs, and in increase in efficiency at Head Office helped us particularly in the second half of the year. Our new City Restaurant in Fenchurch Street is proving a great success. We continue to look for premises for further expansion. I am happy to be able to tell you that at the moment our business is expanding both in terms of turnover and the number of people served. This, together with the increase in efficiency, makes us cautiously optimistic about the future.

BERNARD WALSH, Chairman

	1976	1975
Turnover	£3,357,953	£2,796,424
Profit before tax	£372,334	£305,163
Dividend per share	4.72p	4.33p
Dividend cover	3.28	2.90
Earnings per share	15.48p	12.54p

Wheeler's Restaurants:
Wheeler's
Vendome
Carole
Antoine
Erasmus
George & Dragon
The Slope
The Sovereign
Wheeler's City
Wheeler's Fenchurch
Wheeler's
Shedden
The Company also owns:
Golden Garden
The Sheridan Hotel
Brighton

Old Compton Street, W1
Duke of York Street, SW1
Dover Street, W1
Lowndes Street, SW1
Charlotte Street, W1
Fitch Street, W1
Brompton Road, SW3
High Street, Kensington, W8
Henford Street, W1
Great Toller Street, EC3
Fenchurch Street, EC3
Brighton
Brighton

WILLIAM REED

Principal Business:
Weavers, Dyers and Textile Merchants

'Excellent base for further growth'

- "The trading year ended on 27th March 1976 was not an easy one. Inflation ran at an unprecedented level. The spending level of individuals was restricted yet further. Both these factors adversely affected the results of your company. The profit before taxation of £357,738 is good when compared with previous years, but is much lower than your board had hoped for at the beginning of the year."
- "The final dividend to be declared at the Annual General Meeting of 1.68125 pence per share, 0.725p, net, brings the total dividend for the year ended 27th March 1976 to the gross equivalent of 10.5p, in shareholders' hands. This is the maximum permitted under current dividend restriction legislation."
- "That the previous year's level of profit has been maintained with slightly lower sales, against a background of fast-increasing overheads, is a reflection of our increased production efficiency. It is also a reflection of the success of the board's policy of diversifying the sales of the group."
- "The acquisitions of William Uttley Limited and of Wm. E. Rees and Co. Limited announced recently will substantially improve the group's potential for even greater profitability and growth."
- "It will be my endeavour, with the assistance of the same management team, to make William Reed grow from the excellent base that has been established into an even larger and more broadly based textile group, soundly financed and widely respected."

G. FERGUSON LACEY Chairman

WILLIAM REED AND SONS LIMITED

Copies of the annual report and accounts may be obtained from:—
The Secretary, Dudley House, Albion Street, Leeds, LS2 8PN.

مكتبة الانجمن

IMI halftime profit almost doubled

WITH sales volume beginning to improve towards the end of the period, pre-tax profit of Imperial Metal Industries advanced from £18.8m. to £10.2m. in the six months to June 30, 1976.

Sales of this Birmingham-based metal refinishing and engineering subsidiary, of one-time rival Credit, expanded from £167.5m. to £188.4m.

An interim dividend of 1.35p per share (25p ordinary share) was declared on the capital enlarged by the two for seven rights issue in March. The company paid 2.88p per share last year on pre-tax profits of £16.4m.

The increase in profits is primarily a result of the continued success of efforts made to improve the more efficient use of resources, together with a further sharpening in the rate of inflation, the directors comment.

This result does not include a profit on metal stocks of £2.2m, compared with a loss of £0.7m in the first half of 1975.

Included in the results for the first half 1976 (there was a profit of £1.5m. of which £0.6m. was attributable to minority shareholders) are changes, due to movements in exchange rates (during the period, the sterling value of 1975 current assets of overseas subsidiaries).

Based on exchange rates at March 31, 1976, a further surplus of £0.5m. (of which £0.2m. is applicable to minorities) emerged in the first half of 1976. This is not included in the profits nor was any similar adjustment included in the comparative figures for the first half of 1975.

The taxation charge has been reduced by credits for investment grants of £0.2m. in the first half of 1976, compared with £0.2m. in the first half of 1975.

Expansion at BDS
Record credit reference in-

RECENT ISSUES

EQUITIES

Issue Price	Dividend	Yield	High	Low	Stock	Dividend	Yield	High	Low
10p	1.75	17.5%	22.1	21.4	Berry Pacific Fd. 1981	2.27	20.0%	40.0	38.0
10p	1.75	17.5%	22.1	21.4	Berry Pacific Fd. 1981	2.27	20.0%	40.0	38.0
10p	1.75	17.5%	22.1	21.4	Berry Pacific Fd. 1981	2.27	20.0%	40.0	38.0
10p	1.75	17.5%	22.1	21.4	Berry Pacific Fd. 1981	2.27	20.0%	40.0	38.0
10p	1.75	17.5%	22.1	21.4	Berry Pacific Fd. 1981	2.27	20.0%	40.0	38.0

FIXED INTEREST STOCKS

Issue Price	Dividend	Yield	High	Low	Stock	Dividend	Yield	High	Low
100	1.00	1.00%	100.0	99.0	100	1.00	1.00%	100.0	99.0
100	1.00	1.00%	100.0	99.0	100	1.00	1.00%	100.0	99.0
100	1.00	1.00%	100.0	99.0	100	1.00	1.00%	100.0	99.0
100	1.00	1.00%	100.0	99.0	100	1.00	1.00%	100.0	99.0

"RIGHTS" OFFERS

Issue Price	Dividend	Yield	High	Low	Stock	Dividend	Yield	High	Low
1.5	0.15	10.0%	1.5	1.4	1.5	0.15	10.0%	1.5	1.4
1.5	0.15	10.0%	1.5	1.4	1.5	0.15	10.0%	1.5	1.4
1.5	0.15	10.0%	1.5	1.4	1.5	0.15	10.0%	1.5	1.4
1.5	0.15	10.0%	1.5	1.4	1.5	0.15	10.0%	1.5	1.4

Recommendation date usually last day for dealing free of stamp duty, a Placing view to public. Figures based on prospectus estimate of dividend rate paid or payable on part capital, covered by dividend on full capital. Figures based on prospectus estimate of dividend rate paid or payable on part capital, covered by dividend on full capital.

TEX ABRASIVES

Coated Abrasives for all purposes

Reorganisation places group in excellent position to expand

In his statement to shareholders of Tex Abrasives Limited, Mr. L. Evelyn-Jones, M.B.E., the Chairman, said:

Turnover of the group for the year ended 31st March 1976 was £3,729,710 compared with £2,928,849 for the previous year and the profit before taxation was £281,780 compared with £340,290. The fall in profit margin can be accounted for almost entirely by very large wage increases and a vast increase in the cost of our raw materials due mostly to the fall in the Sterling/Deutsche Mark exchange rate which, during the year under review, fell by approximately 15%. It should also be mentioned that whereas there were considerable stock profits in the previous year in us they were minimal.

The recommended final dividend of 2.05875p net per share makes total distribution of £2,708,750 net per share, the same as in the previous year.

RESPECTS. The year under review produced the most significant development of the plans for diversification and the group is now in a position to offer both to industrial users and to the wholesale and retail trades a balance range of products essential to the grinding, polishing and finishing processes required by industry and other users.

Reorganisation within the group has now placed it in an excellent position to fulfil the expansion, which has been aided upon, and hence to take immediate advantage of any surge in demand.

The fall in the value of Sterling appears to have been anticipated and indeed there are signs that modest increase in industrial activity has commenced and that inflation has been eased to an acceptable figure. If these trends continue I am optimistic that the future prospects will be rewarding.

Progress by B. Sunley

CONSIDERABLE progress has been made by Bernard Sunley Investment Trust in restoring profitability, but certain important problems still have to be overcome, says the chairman, Sir Brian Mountain.

However, the long-term prospects for the group look good and the asset position is very strong. There are reserves and resources to maintain the dividend which, in the past, has been on a conservative basis, says the chairman.

As reported on August 19 the group loss was down from £2.38m. to £0.49m. in the year to March 31, 1976 and the dividend is 3.95p net per share (same).

Although the level of house sales by Sunley Homes improved to £8.5m. it is still not high enough and there has been a substantial rise in building costs over the past year which it has not been possible to recover in full by increasing selling prices.

Sunley Homes investment in land and work in progress was reduced by £2m. during the year by sales and the write off of £180,000 to £10.7m. This investment is being reduced in order to save the carrying cost.

Sir Brian stresses that the investment in the Isla 2000 Resort development, which is financed by overseas borrowing, must be reduced in order to cut down interest costs and exchange losses.

During the year sales of properties in the U.K. realised £1.2m. profit was £0.2m. (£0.18m.). A total of £2.5m. was exported (£2.24m.), of which £1.57m. went to the EEC and £0.68m. to North America.

The chairman states that full advantage of the Government reorganisation scheme for the wool textile industry has been taken in Yorkshire, where J. and S. Rhodes has been moved from Morley to Batley into the same premises as J. Blackburn and Company. It is anticipated that this rationalisation will produce a more economical and efficient unit and will improve profitability.

Blackburn's has a long order book at the moment, nevertheless the marketing aspect of the company is still under review and the possibility of further development of the position both at home and overseas is being examined, he adds.

Meeting, Edinburgh, September 23, 12.30 p.m.

Cement-Roadstone sees 'reasonable increase'

ON SALES up from £48.4m. to £53.7m., pre-tax profit of Dublin-based Cement-Roadstone Holdings expanded from £4.28m. to £5.52m. in the 26 weeks to July 14, 1976. And the directors are confident that the figures for the year will show a reasonable increase over last year's pre-tax profit of £5.66m.

Earnings per 25p share for the 26 weeks advanced from 3.45p to 3.94p. The interim dividend is 1.4025p net—equal to 187.1 changed 2.55p gross, on capital increased by a one-for-four rights issue. At least maintenance of a gross total of 5.5p has already been forecast.

The directors say export trade has continued to expand and new forms more than 45 per cent. of turnover. If this trend is maintained, they expect some improvement for the full year.

First half earnings per share were up from 0.84p to 0.92p. The net interim dividend is maintained at 1p per 25p share—the total last year was 2p when pre-tax profits were cut from £24,756 to £29,911.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY
Interim—Albright and Wilson, British Vica, Alexander Borden, Matthews Wrightson, Metal Closure, Thomas Robison.

Future Dates
Future—Decca, West of England Trust.

Company	Interim	Final
Albright and Wilson	Sept. 8	Sept. 8
British Vica	Sept. 8	Sept. 8
Alexander Borden	Sept. 8	Sept. 8
Matthews Wrightson	Sept. 8	Sept. 8
Metal Closure	Sept. 8	Sept. 8
Thomas Robison	Sept. 8	Sept. 8
Decca	Sept. 8	Sept. 8
West of England Trust	Sept. 8	Sept. 8

Net new sums assured written during the year was a record level of £250m., an increase of 70 per cent. over the previous year.

New annual premiums rose by the same amount to £32m. Mr. Victor Wood, chairman of the company, remarks that these increases in the volume of new business contributed significantly to reducing the expense ratio to 10.7 per cent. from 13.9 per cent. in the previous year.

At the end of the year British government securities comprised 35 per cent. of the portfolio against 30 per cent. previously and equities 18 per cent. (13 per cent.).

Property holding fell to 16 per cent. from 22 per cent. and mortgages and loans were a lower proportion, 18 per cent. against 21 per cent. Other fixed interest stock fell slightly to 13 per cent. of the portfolio.

The company has sold its general insurance subsidiary The Elizabethan Marine and General Insurance to its parent Hill Samuel Insurance and Shipping Holdings. Steps are also being taken to sell the company's

interim dividend per 25p share is raised from 0.9625p to 1.0625p net. Last year's total payment was 3.25p from profits of £143,105.

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MINING NEWS

CRA boosts half-year profits by 48%

BY KENNETH MARSTON, MINING EDITOR

REPORTING a better than expected 48.7 per cent increase in half-year earnings, the Rio Tinto-Zinc group's 80.5 per cent-owned Conzinc Rio Tinto of Australia sees hope for a sustained period of more profitable operations. It is expected that the recovery in major world economies will strengthen as other countries follow the U.S., Germany and Japan. This should be followed by higher investment expenditure and a resulting increased demand for metals.

CRA expresses concern about Australia's declining international competitiveness which, the company says, should not be obscured by the cyclical recovery in commodity prices. However, the investment incentives in the recent Federal Budget are welcomed with their implied shift of resources back to the private sector which will have "a significant effect upon future activities" of the CRA group companies.

	First half 1975	Second half 1975
External sales	444,326	334,349
Operating income	185,241	117,428
Provision	5,923	43,484
Government royalties	23,494	13,623
Current and future tax	29,729	29,487
Leasing	22,452	22,464
Minorities	26,231	16,718
Associates	4,707	13,537
Net earnings	25,361	19,411
Extraordinary items	1,022	3,234

* Represents one half of CRA's proportion of an additional payment which will be made by the Broken Hill Associated Smelters (to per cent owned by CRA) as a result of changing its tax year to a calendar year basis. A further change of \$1,022,000 will be made in the second half.

Consolidated net earnings of CRA for the six months to June 30 of \$25.3m. (202.5m.) compared with \$19.4m. a year ago and the 1975 total of \$38.7m. The current year's interim is being cautiously increased to 3.5 cents (2.48p) from 3 cents last time when the final was 4.5 cents.

Virtually all major companies in the group have contributed to this good earnings performance. The outlook remains one of improving metal prices and a more enlightened Australian Government attitude towards the mining companies.

The only obvious cloud remains the country's uneasy labour relations, especially in the Pilbara iron ore field. But it is interesting to note that Australian wage pres-

ures generally have begun to ease largely as a result of the influence of the Arbitration Commission and this has slowed the rate of increase in operating costs which were 20 per cent up at Hemerley in the past half-year. CRA were 30sp yesterday.

IMC AND ESSO LINK UP

Australia's International Mining Corporation, one of the nickel boom stocks of the early 1970s, is to link up with Esso Exploration and Production Australia for a prospecting venture in Cobarr, New South Wales. IMC has suspended its nickel operations.

A POOR YEAR FOR MINORCO

The Anglo American Corporation group's Bermuda-incorporated Minerals and Resources Corporation reports a profit for the year to June 30 of \$0.54m. (£1.02m.) compared with \$10.43m. for the previous 12 months. Following the passing of the interim dividend on the publicly-owned Ordinary shares there is a final of only 2 cents (1.13p) costing \$53.3m. which compares with the 1974-75 total of 14 cents.

A total of \$7.72m. (£4.25m.), however, goes to the holders of the "A" shares which include Anglo American with some 29 per cent, and Charter Consolidated with 20 per cent. Dividends on the "A" shares are limited to revenue received from Minorco's 30 per cent stake in Engelhard Minerals and Chemicals which has done well.

The 40.98 per cent interest in the struggling Zambia Copper Investments, however, has made little contribution to Minorco in the past year and the ZCI dividend outlook remains obscure in view of Zambia's difficult foreign exchange position, despite the improvement in the copper price.

Originally, it was intended that the Ordinary shareholders would be left to enjoy the anticipated buoyant full revenue from Minorco's Zambian copper interests, but as things have turned out Engelhard has been far the better bet. As from October 18, however, the "A" shares will become Ordinary shares.

Present holders of the Ordinary shares will thus also participate in Minorco's Engelhard holding, albeit on the fruits distributed over a larger number of shares. Meanwhile, Minorco's income from its holding in Trend Exploration will be materially reduced by the latter's recently amended oil production sharing agreement with the Indonesian Government. Minorco were 202p yesterday.

ROUND-UP

Higher than expected commissioning costs and lower than forecast production have caused the Australian uranium producer, Mary Kathleen, to report a net loss for the first six months of this year of \$4.23m. (£2.97). Output in July was 70 per cent of rated plant capacity. Production problems have been overcome but the company does not expect a profit this year. Last week Mary Kathleen, which is 51 per cent owned by CRA, was forced to announce that it was borrowing uranium from the U.K. Atomic Energy Authority to meet contracts entered into during 1970-72.

The Australian minerals explorer, Tasminex, is making a one-for-four renounceable rights issue at 25 cents par (17.8p) to raise \$266,000 (£137,000). The company recently announced at a Tasmanian tungsten-iron venture. Paid capital will be raised to \$3.1m. Details of the issue were not immediately available on the Robert Stock Exchange, but the shares closed yesterday at 36 cents. In London the price was 30p. Tasminex shares once touched £40 when there were hopes of it being involved in a "Poseidon" nickel find.

A strike which started last May

at Canada's Brunswick Mining and Smelting Corporation's lead-zinc mine has ended with the vote of 1,200 members of the United Steelworkers of America to accept a new two-year contract. The company is controlled by Noranda Mines. The same union has also accepted a new pay deal at Whitehorse Copper Mines in the North West Territory, ending a strike which started in June.

A fixed price contract worth \$600m. (£421.5m.) has been signed by Utah Development in Australia to supply 15m. tonnes of coal by next March to the Japanese steel industry. It was reported that Utah had agreed to a reduction in the price of some coal as it realised the problems facing the Japanese industry.

More victims of gold's fall

The decline in the bullion price since it touched a best-ever auctioning level of \$195.50 per ounce in December 1974 has claimed as its latest victim Australia's last producer of the metal, Kalgoolie Lake View's Mt. Charlotte mine. The company states that losses currently being incurred are greater than can be borne and operations are to be run down until period to November 16, although this date could be brought forward if economics deteriorate further.

The big question is whether America's Homestake Mining has decided to withdraw from the operation. The U.S. company intended to inject up to \$8m. (£4.5m.) to return for a 48 per cent stake in KLV, the remaining participants being Gold Mines of Kalgoolie and Poseidon, each with 24.4 per cent, and Western Mining with 3.12 per cent.

Apart from the falling metal price, the country's gold mining industry, which has been rendered unprofitable by the fall in bullion, is now threatened with a withdrawal of its tax-free status by 1980. KLV plans to keep Mt. Charlotte on a care and maintenance basis.

Canada's gold industry is also suffering as a result of the lower bullion price, with that country's northern Ontario producer, Pamour Porcupine, now saying that it is to curtail operations at one of its four mines in the next few weeks. Other divisions will treat higher grade ore at the current same rate of production in an effort to cut costs. Some 200 workers will be laid off and the company says that further employees could be stood down if the gold price continues to fall. Yesterday, bullion closed at \$194.

Union Corp.

Half-year results possibly a little above expectations are announced by South Africa's Union Corporation, in which General Mining has a 50.1 per cent interest. Consolidated profits in the latest period to June 30 of R19.85m. (£12.58m.) or 34.2 (22.19p) cents a share compare with R20.39m. or 35.1 cents for the same period a year ago.

Dividends and interest received have declined to R16.49m. (£10.69m.) from R17.03m. the higher distribution received from Impala Platinum and certain industrial companies being offset by lower dividend income from gold mining investments which reflected the setback in the bullion price. Profits on realisation of investments, however, have increased to R1.08m. (£0.7m.) from R0.73m. Net asset value at June 30 was 683 cents (448p) a share as against 908 cents at the same date in 1975.

As forecast when recently putting forward proposals to acquire all the shares of its Geduld Investments subsidiary, Union Corporation is declaring an unaudited interim dividend of 12 cents (7.78p) and reiterates its intention of paying a final of not less than 24 cents against the 30 cents paid for 1975. Clearly, the earnings outlook for the second half of this year is not bright. Income from gold investments can only show a further decline in line with the fall in the bullion price since June 30 while platinum is unlikely to provide very much more than in the second half of 1975 when Impala resumed its present rate of quarterly distributions. Union Corporation were 185p yesterday.

	1975	1974
Dividends and interest	14,958	15,623
Investments profit	1,679	1,177
Interest received, etc.	3,551	11,271
Admin. expenses	5,479	3,228
Interest paid	3,294	3,274
To pension funds	26,375	26,797
Profit before tax	12,848	28,244
Tax	5,972	6,573

MINING BRIEFS

GOLD AND BASE METAL MINES OF NIGERIA—July output of tin concentrates, 225 tonnes and 36 tonnes of columbite. Seven months production to date, 225 tonnes and 36 tonnes respectively. (Same period 1975: 216 tonnes and 36 tonnes respectively.)

WESTERN MINING—Four weeks ended August 26: Central Norseman Gold, 1,518 tonnes treated produced 10,312 ounces. Kalgoolie, 1,000 tonnes treated produced 8,884 ounces. Includes 772 ounces from Charters Mill clean-up.

Continued progress seen by AVP

In his annual statement Mr. H. H. Poster, chairman of AVP Industries, says the increasing investment in the group from retained profits contributed to the upward progression in net profit and he is of the opinion that the unbroken record of increased profits will continue in the foreseeable future.

Prices of the company's domestic future will be held at October 1975 levels until at least the end of the present calendar year, he reports. Pre-tax profit for the year to March 31, 1975, advanced from £4.21m. to £4.74m.

Meeting, Harbet House, N. on September 28 at 2 p.m.

GEORGE WIMPEY

Valid acceptances have been received on behalf of George Wimpey's offer to acquire Wigate Investments in respect of 13,583,290 (80.2 per cent.) Ordinary shares. The offer has now become unconditional in all respects and will remain open until further notice.

APPOINTMENTS

New Board post at Shell Oil

Mr. D. de Bruyne has been appointed to the Board of SHELL OIL COMPANY. Mr. de Bruyne is a managing director of The Royal Dutch/Shell Group of companies and a director of the Royal Dutch Petroleum Company.

Mr. Robert W. Nimmo has been appointed deputy managing director designate of LORIMER'S BREWERIES. This new position has been created in anticipation of the consolidation of Lorimer and Clark and Ushers Brewery under the new name of Lorimer's Breweries.

Mr. E. J. Pateman has been appointed a director of JOHNSON MATTHEY AND CO. He was previously group controller.

Mr. Michael W. H. Cohn has become managing director of H. W. HARDY AND CO. Mr. Ronald P. H. Cohn has been appointed a director, and Mr. Derek L. Shaw, an associate director. The changes follow the death of Mr. Ernest Cohn.

Mr. Richard G. Bailey, financial director of the N. G. BAILEY ORGANISATION, has been appointed deputy managing director.

Mr. C. A. Preston is to retire as chairman and a director of G. P. TURNER AND CO. and PENSIONS (BROKERS) on September 30. Mr. A. J. Archer will succeed Mr. Preston as chairman of both companies and Mr. N. R. Brazelley will become deputy chairman of G. P. Turner and Co. Mr. C. S. Ray has been appointed a director of G. P. Turner and Co.

Mr. K. W. Jenkins has become a director of ALWEN HOUGH JOHNSON.

Mr. Eric Jackson has been appointed sales director of REED PAPER AND BOARD (U.K.) in succession to Mr. David Peacock who has joined the British Paper and Board Industry Federation. Mr. Ken Craig has become sales director of Empire Paper Mills in place of Mr. Jackson.

Mr. T. A. Cross has retired from REDIFFUSION which he joined in 1929. He was appointed a director in 1966 and in 1974 left the Board to become responsible for the group in North America.

Mr. C. J. Carter has joined LOWMEDES LAMBERT GROUP as a director of the cargo division, and Mr. J. Hockey has been appointed a director of the marine claims and salvage division.

INTERIM STATEMENT

ARTHUR BELL & SONS LTD



SCOTCH WHISKY DISTILLERS PERTH

Interim Financial Statement (unaudited) for the half-year ended 30th June, 1976

	Half-year ended 30th June, 1976	Half-year ended 30th June, 1975
Group Turnover — Sales to customers outside the Group	40,470,000	31,109,000
Scotch Whisky Division	36,464,000	27,192,000
Glass Container Division	4,006,000	3,917,000
	40,470,000	31,109,000
Group Trading Profit	4,021,000	2,708,000
Less: Depreciation	520,000	272,000
	3,501,000	2,436,000
Add: Investment Income	4,000	4,000
	3,505,000	2,440,000
Less: Interest on loans	1,227,000	1,006,000
Group Profit before Taxation	2,278,000	1,434,000
Scotch Whisky Division	2,617,000	1,301,000
Glass Container Division	(339,000)	133,000
	2,278,000	1,434,000
Taxation (estimated) (Note 1)	1,003,000	445,000
Group Profit after Taxation (Note 2)	1,275,000	989,000

NOTES

- Taxation for the six months to 30th June, 1976, is a higher percentage charge because of the reduced expenditure on new buildings.
- For the six months to 30th June, 1975, pre-acquisition profits of Canning Town Glass Limited amounted to £24,000 leaving £965,000 Gross Profit after Taxation attributable to shareholders of Arthur Bell & Sons Limited.

INTERIM DIVIDEND

The Directors have declared an Interim Dividend for the year to 31st December, 1976, of 2.97087p per Ordinary share (2.41443p) amounting to £10,934 (£333,967). The Interim Dividend will be paid on 1st December, 1976, to Ordinary Shareholders on the Register at close of business on 4th November, 1976.

New Issue August 31, 1976

All these Bonds having been sold, this announcement appears as a matter of record only.

Sparbankernas Bank AB

US \$ 20,000,000
8 3/4% Bonds due 1983

Issue Price: 99 1/8%

WESTDEUTSCHE LANDESBANK
GIROZENTRALE

AMSTERDAM-ROTTERDAM BANK N.V.

CAISSE DES DEPOTS ET CONSIGNATIONS

SPARBANKERNAS BANK AB

UNION BANK OF SWITZERLAND (SECURITIES)
Limited

BANQUE NORDEUROPE S.A.

KREDIETBANK S.A. LUXEMBOURGEOISE

SWISS BANK CORPORATION (OVERSEAS)
Limited

S.G. WARBURG & CO. LTD.

ALGEMENE BANK NEDERLAND N.V.

A. E. JAMES & CO.
Limited

ANDRESEN BANK A/S

ASIAC - ASIAN INTERNATIONAL
ACCEPTANCES & CAPITAL Limited

BACHE HALSEY STUART INC.

JULIUS BAER INTERNATIONAL
Limited

BANCA COMMERCIALE ITALIANA

BANCA DEL GOTTARDO

BANCA NAZIONALE DEL LAVORO

BANCO DI ROMA

BANKERS TRUST INTERNATIONAL
Limited

BANK DER BONDSPAARBANKEN N.V.

BANK FÜR GEMEINHARTSCHAFT
AktiengesellschaftBANK GUTZWILLER, KURT, BUNGENER
(Overseas) Limited

BANK OF HELSINKI LTD.

BANK MEES & HOPE NV

THE BANK OF TOKYO (HOLLAND) NV

BANQUE BRUXELLES LAMBERT S.A.

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

BANQUE GENERALE DU LUXEMBOURG
Société Anonyme

BANQUE DE L'INDOCHINE ET DE SUEZ

BANQUE INTERNATIONALE A LUXEMBOURG S.A.

BANQUE LAMBERT LUXEMBOURG S.A.

BANQUE NATIONALE DE PARIS

BANQUE DE PARIS ET DES PAYS-BAS

BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG

BANQUE DE L'UNION EUROPEENNE

BAYERISCHE HYPOTHEKEN-UND
WECHSELBANK

BAYERISCHE LANDESBANK GIROZENTRALE

BAYERISCHE VEREINSBANK

JOH. BERENBERG, GOSSLER & CO.

BERGEN BANK

BERLINER HANDELS-
UND FRANKFURTER BANK

CAISSE D'EPARGNE DE L'ETAT LUXEMBOURG

CHRISTIANIA BANK OG KREDITKASSE

CITICORP INTERNATIONAL BANK
LimitedCOMMERCIAL BANK
Aktiengesellschaft

CREDITANSTALT BANKVEREIN

CREDIT COMMERCIAL DE FRANCE

CREDIT INDUSTRIEL ET COMMERCIAL

CREDIT LYONNAIS

CREDIT DU NORD

CREDITO ITALIANO

CREDIT SUISSE WHITEWELD
LimitedRICHARD DAUS & CO.
BankersDEN DANSKE BANK
at 1871 Aktieselskab

DEN NORSKE CREDITBANK

DEUTSCHE BANK
AktiengesellschaftDG BANK
DEUTSCHE GENOSSENSCHAFTSBANKDEUTSCHE GIROZENTRALE
— DEUTSCHE KOMMUNALBANK —

DILLON, READ OVERSEAS CORPORATION

DOW BANKING CORPORATION

DRESDNER BANK
AktiengesellschaftEFFECTENBANK-WARBURG
AktiengesellschaftEUROPEAN BANKING COMPANY
LimitedFAELLESBANKEN FOR DANMARKS
SPAREKASSER Aktieselskab

FELLESBANKEN A/S

FIRST BOSTON (EUROPE)
LimitedROBERT FLEMING & CO.
Limited

ANTONY GIBBS HOLDINGS LTD.

GIROZENTRALE UND BANK
DER OSTERREICHISCHEN SPARKASSEN
Aktiengesellschaft

GÖTTABANKEN

GOLDMAN SACHS INTERNATIONAL CORP.

GROUPEMENT DES BANQUIERS FRIVES
GENEVOISHAMBROS BANK
LimitedHAMBURGISCHE LANDESBANK
— GIROZENTRALE —R. HENRIQUES JR. BANK
AktieselskabHESSISCHE LANDESBANK
— GIROZENTRALE —HILL SAMUEL & CO.
Limited

KANSALLIS-OSAKE-PANKKI

KIDDER, PEABODY INTERNATIONAL
Limited

KJOENHAVNS HANDELSBANK

KLEINWORT BENSON
Limited

CREDIT COMMERCIAL DE FRANCE

KREDIETBANK N.V.

KUNN, LOEB & CO. INTERNATIONAL

LANDESBANK SCHLESWIG-HOLSTEIN
GIROZENTRALELAZARD BROTHERS & CO.
LimitedMANUFACTURERS HANOVER
LimitedMERRILL LYNCH INTERNATIONAL & CO.
LimitedSAMUEL MONTAGU & CO.
LimitedMORGAN GRENFELL & CO.
Limited

MORGAN STANLEY INTERNATIONAL

NEDERLANDSCHE MIDDENSTANDSBANK N.V.

NORDEUTSCHE LANDESBANK
GIROZENTRALENORDIC BANK
LimitedÖSTERREICHISCHE LÄNDERBANK
Aktiengesellschaft

SAL. OPPENHEIM JR. & CIE.

ORION BANK
Limited

PIERSON, HEDRICK & PIERSON N.Y.

POSTIPANKKI

PKEANKEN

PRIVATBANKEN A/S

N. M. ROTHSCHILD & SONS
LimitedSAASTOPANKKIEN KESKUS-OSAKE-PANKKI
LimitedSALOMON BROTHERS INTERNATIONAL
LimitedSCANDINAVIAN BANK
LimitedJ. HENRY SCHRODER WAGG & CO.
Limited

SKANDINAVISKA ENSKILDA BANKEN

SMITH BARNES, HARRIS UPHAM & CO.
Incorporated

SOCIETE GENERALE

SOCIETE GENERALE DE BANQUE S.A.

SLUDSVALLSBANKEN

SVENSKA HANDELSBANKEN

TRINKAUS & BURKHARDT

UNION BANK OF FINLAND LTD.

VEREINS-UND WESTBANK
Aktiengesellschaft

J. VONTORL & CO.

M. M. WARBURG-BRINCKMANN, WIRTZ & CO.

WEISSCREDIT

WOOD GUNDT LIMITED

New Issues

All these securities having been sold, this announcement appears as a matter of record only.

\$367,200,000

National Power Corporation

(A Corporation Wholly Owned by the Republic of the Philippines)

United States Export Financing Bonds

Unconditionally Guaranteed as to Principal and Interest by

UP FURTHER 4 ON INFLATION PROSPECTS

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 31.

THE UPWARD TREND continued on Wall Street today, reflecting optimism about U.S. inflation prospects. But late session trading was mixed.

After rising a further 7.14 to 97.82, the Dow Jones Industrial Average partially reacted to a report for a net gain of 4.82. The NYSE All Common Index added another 41 cents to \$54.92, while advanced declines by 0.04 to 49.48. Trading volume sharply expanded by 4.3m. shares to 154.8m.

Investors generally appeared to draw encouragement from the withdrawal of price increases in

But Western Oils eased 0.06 to \$26.02.

Falconbridge Nickel were up \$1 to \$44 and Labatts "A" added \$1 to \$15.

Peerless Rug lost 73 cents to \$3.30, but Alberta Energy rose \$1 to \$11 and Bell Canada added \$1 to \$49.

PARIS—The majority of French shares slid back in what brokers described as essentially a technical reaction. Trading volume was relatively light.

There was some irregularity in the market, however. Banceair were down Fr.11.10 to Fr.210.50.

The foreign section, in contrast, was better traded, with Americans and Germans led by

wards by General Motors and Siemens respectively. Inter-

national Oils were mixed, with Shell Transport lower but Royal Dutch improved slightly.

Gulf Mines also advanced. Copper wires easier.

AMSTERDAM—Broadfront gains in a fair volume. All international rose.

In the Bank sector, Algemeen Bank Nederland were lifted Fr.7.5 to Fr.201.50.

Insurance and Transportation in many cases showed strong gains. KLM were up Fr.2.20 to Fr.117 and Nationale-Nederlands Fr.1.40 to Fr.53.85.

BRUSSELS—Mixed after another slow trading session. Steels were lower. Hainaut

Sambre declined Fr.25 to Fr.1,945.

In mostly higher Metals, Asturienne gained Fr.24 to Fr.1,498.

Electricals and Utilities also improved, with Interbrabant up Fr.1 to Fr.1,355.

Chemicals finished narrowly irregular. Oils were higher.

Gains predominated among U.S. stocks. IBM were up Fr.7.5 to Fr.117.25.

General Motors Fr.20 to Fr.2,645, Union Carbide Fr.15 to Fr.2,485 and ITT Fr.15 to Fr.1,218.

GERMANY—Mostly higher, although below the best levels. Mannesmann moved up DM3.50 to 340 and Siemens DM3.70 to 271.50.

Motorists also showed reasonably strong gains. Daimler advanced DM3 to 342.50 while VW were up DM2 to 321.

Gains in most other sectors were small.

The latest Federal Railroad Bond issue was fully placed and the 12.25 per cent Treasury Demand for older Domestic

Public Sector Bonds continued strong and the Bundesbank sold DM50m. worth of stock.

SWITZERLAND—Fractionally higher.

Industrials, however, were mixed and Insurance were steady. Other sectors firmed. Atele rose Fr.25 to 770 and Motor Columbus

Swiss 19.20 to 21.50. Most U.S. stocks were slightly

below Monday's Wall Street levels in quiet trading.

COPENHAGEN—Banks were little changed. Communications slightly higher. Commodities and Industrials rose. Shippings were

firm, while Insurance were lower.

OSLO—Banks and Insurance were quiet, while Shippings and Industrials were mixed.

VIENNA—Slightly higher in livelier trading, although the Industrial sector was mostly quiet.

Leading Industrials were mostly marginally lower in quiet dealings.

Bonds eased slightly in thin dealings.

JOHANNESBURG—Gold shares were firmer.

U.S. stocks were also firmer. In Coppers, Messina gained 15 cents to R340 while, in Platinum,

Potgietersrust were up 10 cents to R2,180.

HONG KONG—Sharply higher in heavy trading attributed to a

trade surplus of \$5.5m. In July, compared to a deficit of \$0.42m. in the like period last

year.

Hongkong Bank were up 30 cents to HK\$18.10, Hong Kong

Electric 12 cents to HK\$3.25, and

Telegraph 7 cents to HK\$2.70.

Other stocks were mixed. The

Construction Ministry announced a rise in July orders.

Motorists were mixed, as were Light Electricals, Retailers,

Securities Houses and non-Life

Insurance.

AUSTRALIA—Generally firmer on selective bargain hunting.

Peko Wailgan gained a further 30 cents to \$3.50, following its

higher profits and bonus issue.

BP rose 8 cents to \$4.40.

Banks and Tobacco also moved

up.

Coal and Uranium stocks were well supported, with Pancon-

mental rising 75 cents to 14.75, while BHP and Uthmaniyah

at 4.48 each put on 8 cents.

Renison advanced 20 cents to 6.30, it is contemplating a tin

smelter in Tasmania.

GERMANY

Aug. 31

Price + or - Div. Yld.

100% 100% 100%

100% 100% 100%

100% 100% 100%

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STERLING regained some of its recent losses in the foreign exchange market yesterday, closing at \$1.7770-1.7780 in terms of the U.S. dollar, a gain of 70 points since Friday. The pound opened at \$1.7725-1.7735, but

improved on fair commercial demand, following its weakness last week after fears that the drought would have an adverse effect on U.K. industrial output.

It touched a best level of \$1.7775-1.7785 during the afternoon, while sterling's trade-weighted average, calculated by the Bank of England, narrowed to 39.4 per cent from 39.7 per cent. The

calculator stood at 39.5 per cent at noon and 39.6 per cent in early dealings.

The French franc continued the previous day's improvement in early trading yesterday, but

lost ground after publication of the latest wholesale price index showing a 2.5 per cent rise in July, closed at Fr.482.12 against the dollar, compared with Fr.480.75 in Paris on Monday and Fr.481.48 in London on Friday. The best level was Fr.482.12, but it did fall to Fr.480.75 in the afternoon and may have received some support from the French authorities.

The dollar's trade-weighted average, calculated by Morgan Guaranty of New York, narrowed slightly to 2.31 per cent from 2.32 per cent on Monday and 2.34 per cent on Friday.

Gold fell \$1 from Friday to close at \$103.10-104. Nervousness

about the new gold auction to be held by the International Monetary Fund on September 15 continues to depress the market. The initial sharp fall at the morning's fixing was partly reversed during the afternoon.

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STERLING regained some of its recent losses in the foreign exchange market yesterday, closing at \$1.7770-1.7780 in terms of the U.S. dollar, a gain of 70 points since Friday. The pound opened at \$1.7725-1.7735, but

improved on fair commercial demand, following its weakness last week after fears that the drought would have an adverse effect on U.K. industrial output.

It touched a best level of \$1.7775-1.7785 during the afternoon, while sterling's trade-weighted average, calculated by the Bank of England, narrowed to 39.4 per cent from 39.7 per cent. The

calculator stood at 39.5 per cent at noon and 39.6 per cent in early dealings.

The French franc continued the previous day's improvement in early trading yesterday, but

lost ground after publication of the latest wholesale price index showing a 2.5 per cent rise in July, closed at Fr.482.12 against the dollar, compared with Fr.480.75 in Paris on Monday and Fr.481.48 in London on Friday. The best level was Fr.482.12, but it did fall to Fr.480.75 in the afternoon and may have received some support from the French authorities.

The dollar's trade-weighted average, calculated by Morgan Guaranty of New York, narrowed slightly to 2.31 per cent from 2.32 per cent on Monday and 2.34 per cent on Friday.

Gold fell \$1 from Friday to close at \$103.10-104. Nervousness

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FARMING AND RAW MATERIALS

Russia buys more U.S. wheat

WASHINGTON, Aug. 31. SOVIET OFFICIALS have ordered another 275,000 tonnes of American 1976-crop wheat valued at about \$34.5m, the Agriculture Department announced, reports UPI.

A spokesman said the 10m bushel purchase, which will be shipped after October 1, brings the total Russian grain buying commitment under the five-year deal for the 1976-77 season (the first year in the five-year Soviet-American grain trade agreement) to 4.62m tonnes.

The Soviet orders for the 1976-77 season now include 1.97m tonnes (72m bushels) of wheat and 2.65m tonnes (104m bushels) of maize.

The latest purchase pushed Soviet orders to about three-quarters of their minimum 6m tonnes annual grain buying commitment under the five-year deal. Russia can, under the deal, buy freely up to 8m tonnes and can exceed the 8m tonnes level if they first consult with American Government officials.

Agriculture Department officials have said they expect Soviet purchases in the coming 1976-77 season to total about 8m tonnes, less than half the 16.5m tonnes ordered last season.

In addition to the 4.6m tonnes of wheat and maize sold for 1976-77 delivery, officials noted, traders have also sold 1.5m tonnes of American soybeans to the Soviet Union.

The EEC Commission expects the Common Market's total cereal crop this year to be between 90m and 92m tonnes. Mr. Pierre Lardinois, EEC Farm Commissioner said. The past two months have broadly confirmed estimates made early in July of a crop of around 92m tonnes, or about 5 per cent. below last year, he added.

Nickel and aluminium price rises

HIGHER NICKEL prices in the U.K. as a result of the declining value of sterling will be introduced by Entores effective September 1, it was confirmed yesterday.

Nickel roundels will go up to £279.50 a tonne, against £275.50 previously, and there will be similar increases for ferro-nickel grades.

An aluminium price rise in U.K. was also announced by Alcan yesterday. Its price for primary aluminium ingot is to go up by £41 to £567.80 a tonne on September 1 and by further £11.50 to £579.30 on September 15, when premiums for extrusion ingot will be raised by £3 a tonne.

General downturn in metal markets

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL PRICES moved generally lower on the London market yesterday, reflecting doubts about the strength of the economic recovery in industrialised countries and the further downturn in gold. Although copper wirebars closed £18.5 down at £243.5 a tonne, cash tin was £35 down at £4,467.5 a tonne, after trading at £4,435. Cash zinc lost £7 to £412.75 a tonne, and cash lead £4.5 to £270.25. On the London bullion market the spot quotation for silver was cut by 6.3p to 231.3p an ounce.

Another rise in copper warehouse holdings, although only a modest increase of 1,050 tonnes to a total of 559,900 tonnes, initially depressed prices since market forecasts last week were for little or no change in the stocks. However, buying interest and covering of previous sales emerged at the lower level, to steady the market.

Nevertheless the basic undertone of the market at present is one of uncertainty as to whether the present revival in the U.S. economy is strong enough to be sustained and spread to the rest of the world.

Co. (Asarco) was at last following the rise in the U.S. zinc price announced by other North American producers was dampened down by the fact that Asarco is only putting its price up by 2 cents a lb compared with other increases of 3 cents to 40 cents a lb.

However, an increase of 1,900 tonnes.

Certainly at the moment there are reported to be no signs of a significant recovery in demand for metals generally.

Confirmation that the American Smelting and Refining

Lead stocks, as expected, fell by 3,025 tonnes to 75,000 tonnes. Meanwhile, a Bank of America report issued yesterday on the prospects for lead forecast that consumption would slow down in the next decade to 2 per cent. against the 2.5 per cent. growth rate between 1965 and 1975. But it pointed out that the refined lead industry was only planning to raise production capacity by 1 per cent. during 1975-80.

The report predicted that the world lead price would rise by 8 to 10 per cent. in 1976, and 8 to 9 per cent. next year as the economy recovers. Between 1976 and 1980 the report forecasts prices will rise by between 7 and 8 per cent. to reflect higher production costs.

Tin stocks fell by 115 to 8,180 tonnes. Spain is the best in the world, but London lost ground initially following the trend in copper and reflecting some heavy cash offerings. In the afternoon the selling pressure eased and values recovered some of the earlier losses. LME silver holdings rose by 61,000 to 29,580 ounces.

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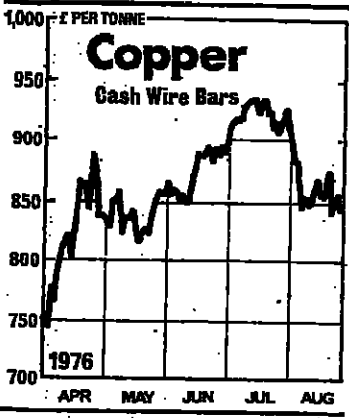
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Copper Cash Wire Bars

EEC drought crisis proposals

BY DAVID CURRY

FARM MINISTERS of the EEC are meeting here on September 9 for an emergency session to take stock of the problems posed by the drought, and to consider how the proliferation of national aid to farmers to offset the drought effects can be prevented from contravening Community rules on fair competition in agricultural products.

The Commission has a modest sheaf of proposals to put before Ministers. It is thought that it may suggest transport subsidies for water and fodder, tax concessions and easier rules for the acceptance of meat into intervention.

The main aim of Mr. Pierre Lardinois, the Farm Commissioner, is to embark upon a Community approach to the problem and to bring aids at least within a Community agreement of what is permissible.

He is also anxious to prevent the effects of the drought being felt in terms of food shortages and higher prices. He will report to Ministers the assurances he received in the U.S. about the availability of food exports to compensate for the drought.

However, a Ministry of Agriculture report, compiled before the rain, said the beet crop, although surviving well and still growing moderately well in some areas, cannot now bulk to a normal crop.

Earlier in Brussels, Mr. Pierre Lardinois, EEC Farm Commissioner, said the EEC sugar crop, including the French overseas territories, is expected to be around 9 to 9½m tonnes. Although the drought has sharply reduced this from the 11m tonnes estimated in May, it is "only somewhat" below normal, he told a Press conference, Reuter reported.

In Paris, the French Sugar Beet Planters' Association said it would prefer to see Government aid for drought-stricken growers financed through 25 per cent. higher sugar prices rather than an extra direct taxation announced recently.

currency" adjustments as part of the anti-drought package. The Commission is due to consider ways of minimising the effect of the drought on consumer prices when it reassembles in a week's time.

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New peaks in cocoa market

By Our Commodities Editor

COCOA PRICES again rose to all-time peaks on the London futures market yesterday, but eased back in later trading. The November position closed last night £16.75 up at £14,225 a tonne after reaching £14,331 at one stage.

The strong tone in New York, and rumours of buying by a major manufacturer, helped the market open on a firm note. Higher asking prices by producer countries

led to a claim that Brazilian production costs were outstripping the rise in price, encouraged the upward trend. But the market then ran out of steam and values retreated again.

Meanwhile, Reuter reported from Accra that Ghana Cocoa Marketing Board purchases of mid-crop cocoa for the week ending August 26 were estimated at 379 long tons. This brings cumulative purchases so far to 7,487 tons against 7,545 during the same period last year.

Coffee prices moved erratically on the London futures market, although there was no change in the fundamental supply-demand situation. The December position moved from a low of £1,490 a tonne to close at £1,522, over 32p lower.

The recovery in a sudden turn-around in New York to higher levels, after having fallen steeply previously.

It is now publicly admitted that the better-than-expected performance during the 1974-75 year-end farm output rose at an annual rate of 3.4 per cent. as against the originally projected 2.9 per cent., was primarily due to the success of the private plots. Thus the target for deliveries of pigs for slaughter was fulfilled to 117 per cent. but only because the small holders over-fulfilled their planned quotas by 54 per cent. Large collective and state farms fell 13 per cent. short of the planning tasks. The dairy production broke up.

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STOCK EXCHANGE REPORT

Equities unsettled by adverse economic forecasts
Share index down 1.2 at 350.8—Gilt-edged steady

Account Dealing Dates
Option
First Declared Last Account
Dealing Date Dealings Day
Aug. 3 Aug. 19 Aug. 20 Sep. 1
Aug. 23 Sep. 2 Sep. 3 Sep. 14
Sep. 6 Sep. 16 Sep. 17 Sep. 28

"New time" dealings may take place from 9.30 a.m. two business days earlier.

With sentiment affected by several adverse economic forecasts published over the week-end, equity markets lost further ground as the second leg of the account got underway yesterday. Nevertheless, leading industrial shares were particularly slow but made a useful technical rally after a fairly sharp initial setback and early losses of around 3 or 4 pence were pared to only a penny or so by the close. Down 3.7 at its lowest of the day at 10 a.m., the FT 30-share index finished only 1.2 lower on balance at 350.8, still a fresh low for the year. Trading remained at a low level, official markings of 4.16 comparing with the recent daily average of 4.50.

British Funds put on a relatively good performance, closing a fraction better where changed. The trend here was helped by the better performance of sterling. The Government Securities index was barely altered at 61.72.

Despite a modest fall of 0.25 ANZ improved 7 at 380p.

to \$104.125 per ounce in the bullion price. Gold shares met a little U.S. support and closed with small gains which left the Gold Mines index 2.5 higher at 87.2.

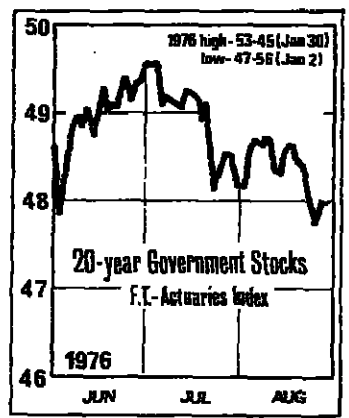
The manner in which the market in British Funds resisted a state of adverse predictions on the economy and the future rate of inflation was deemed very satisfactory. Fears about higher interest rate continued to subside, and in this and typical post-holiday trading several shorts edged firm. Treasury 101 per cent, 1979, gaining more than most to close 1/2 higher at 98 1/2. Business in the medium and long was particularly slow but here again the undertone continued to hold firm with some quotations improving very slightly late in the day. Sterling had more influence on sentiment than the latest small rise in the Local Authority yielding rate to 12 per cent.

Overseas Banks firm

Sporadic late offerings of investment currency in a market devoid of any real interest took the premium down to 1101 per cent. for a fall on the day of 11 points. Yesterday's SE conversion factor was unchanged at 0.8901.

Hambro Life Assurance reacted 3 to 180p in recent weeks. Little interest was shown in the big four Banks, which drifted gently lower in sympathy with the general trend. Barclays ended 5 off at 240p and National Westminster 3 easier at 213p, after 214p. Overseas issues fared better and moved against the trend. Helped by Far-Eastern advice, Hongkong and Shanghai did well at 313p, up 12, while still drawing strength from last week's good results. Commercial Bank of Australia put on 10 more to 350p.

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up 3 to 83p and Guinness Peat were 2 lower at 163p; the latter's preliminary results are due to-morrow. Further consideration of the first-half profits setback took a penny more off of Guinness Peat at 158p.

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Discounts lacked support with Allen Harvey and Ross 10 lower at 340p in a thin market and Gillett Bros. 8 off at 153p. Persistent small offerings depressed Hambro in Merchant banks where the shares fell away to close the day 9 easier at 197p. Hill Samuel gave a net 3 down at 116p. Arthur Bell hardened 2 to 120p with the help of Press comment.

Buildings had a drab appearance, cement, being underpinned by fresh offers of declining construction orders. H. and R. Johnson-Richards stood out at 160p, down 8, while Higgins and Hill, 35p, and R. Castin, 120p, shed 2 apiece. Viropharm, still reflecting trading news, reacted 3 more to 83p. Timbers also lost ground. Magnat and Southern's easing 3 to 123p and Travis and Arnold declining 4 to a 197p "low" of 82p.

ICI typified market conditions, reacting to a 197p "low" of 323p before rallying to close at 328p. A penny rise on balance at 328p; the interim figures are expected to-morrow. Elsewhere in Chemicals, Fisons were finally 2 cheaper at 310p, after 308p. Crox International shaded 1 1/2 to 471p and Allied Colloids eased 3 to 115p. Blagden and Neakes, however, managed to close a penny higher at 123p following Press comment.

Philips' Lamp better

Philips' Lamp featured in otherwise drab Electronics, rising 42 to 877p in response to 100p. Philips' Lamp featured in otherwise drab Electronics, rising 42 to 877p in response to 100p. Philips' Lamp featured in otherwise drab Electronics, rising 42 to 877p in response to 100p.

ANZ improved 7 at 380p.

September 14, reacted 3 to 87p, while adverse Press comment left Royal Electronics 5 cheaper at 180p. Decca reacted 3 to 87p, while adverse Press comment left Royal Electronics 5 cheaper at 180p.

Store leaders recovered initial small losses to close little changed on the day. House of Fraser were an example, closing without alteration at 691p, after 689p. UDSO hardened a penny to 85p as did "Gussies" "A", to 174p. Secondary issues closed with the occasional small fall. Foster Bros. eased 2 to 48p, while E. Upton "A" shed 2 to 25p. Shoes had an easier bias, Ward White losing a penny at 201p and Strong and Fisher finishing 2 easier at 52p.

Engineering firms contained numerous small losses including Capenhell, which fell 2 1/2 to a fresh low for the year of 45p. Acrow "A", 54p, and Aurora, 50p, gave up 3 each, but Wyburn retained an initial loss of 2p, unchanged on the day at 285p. Charles Clifford slipped 3 to 96p after Press comment, but M. Holdings improved 2 to 25p, after 248p. Imperial Metal Industries remained at 46p following the improved first-half figures. Elsewhere, Mining Supplies found support and put on 2 to 26p, but A. Cohen were lowered another 5 to 130p.

Pending fresh developments in the bid situation, Manbre and Garton eased 3 to 156p. Tate and Lyle, the bidders, declined 1 1/2 to 220p, before staging a late rally to close unchanged on the day at 220p. Rowntree Mackintosh retreated 3 to 188p, while Caveham, 103p, J. Bibby, 102p, and Associated Delvies, 190p, all closed 2 cheaper. Joseph Stocks finished unchanged at 90p following the preliminary figures. In Supermarkets, Gateway Securities "A" shaded 2 to 25p.

Ladbroke reacted initially to 83p on the interim figures before rallying to close unchanged on the day at 84p. Rowton Hotels, at 7p, made no apparent response to the increased interim dividend and higher profits, but Centre Hotels (Cranston) closed a fraction cheaper at 19p on the disclosure of reduced earnings.

Unilever improve

Light selling during the course of a small turnover brought about a modest reaction in the miscellaneous Industrial leaders. Glaxo reacted 5 to 353p, Becton gave up 3 to 332p as did Reed Inter-

national to 216p, while Bowerat cheapened 2 to 175p; the interim results from the last named are due on Friday. Boots, on the other hand, staged a late rally and ended a penny dearer at 113p, after 111p. Unilever also resisted the trend when Dutch buying resisted the shares rise 3 to 406p. Elsewhere, second-line issues paraded a majority of falls. Baxter fell declined 2 to 85p on the interim figures and Grippes reacted a penny to 58p ahead of to-morrow's results. Fosco Minsep shed 4 to 171p as did Office and Electronic to 59p. Eastern advisers prompted firms in Jardine Matheson 13 to the good at 335p. Swire Pacific 8 dearer at 164p and Hutchison International 21 better at 541p. The Australian Broken Hill Property rose 20 to 805p.

Motors and Distributors spent another quiet session. British Leyland shrugged aside current labour problems and closed without alteration at 27p, while Lucas Industries, 190p, and Dowty, 140p, both finished a penny cheaper. A Heron Motor losing 2 to 30p and Pride and Clarke receding 3 to 100p, while Liverpool Post, 82p, remained unchanged. B.P.M. Holdings "A", 27p, and East Midland Allied Press, 36p, all shed 1 apiece. An easier trend also prevailed in Paper/Printings where W. & A. Wall Street fell 5 further to a low for the year of 145p. Jefferson Sunrui gave up 3 to 89p, while D.R. 96p, and Buzzi Pulp, 79p, both cheapened 2.

Oils resilient

Oils provided one of the pockets of resistance with Shell, in the absence of any fresh selling pressure, regaining 3 to 398p; a sharp upturn in the price of Shell, on Wall Street, assisted the rally and also activated bear-covering of Shell. In London, Royal Dutch closed 1 1/2 points higher at 538. British Petroleum, too, fared well ahead of the to-morrow's results, rising 3 to 365p, while covered from 102p to close unaltered on the day at 104p.

In Textiles, a late technical rally helped Courtaulds close a penny harder at 113p, after 110p. Stoddard "A" on the other hand, cheapened 2 to 30 ahead of to-morrow's results.

BATs Deferred closed the day unaltered at 200p following active trading, while the Ordinary scrip issued down penny more to a 197p low of 232p.

Golds a little better

South African Gold shares staged a small recovery in line

FINANCIAL TIMES STOCK INDICES

	Aug. 31	Aug. 24	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 29
Government Securities	61.72	61.74	61.52	61.47	61.66	61.89	61.59
Fixed Interest	61.51	61.26	61.21	61.24	61.57	61.81	61.02
Industrial Ordinary	350.8	352.0	356.3	352.4	357.0	361.4	328.4
Gold Mines	87.2	84.7	86.8	78.8	82.0	86.3	110.0
Ord. Dr. Yield	6.35	6.39	6.22	6.28	6.21	6.15	6.37
Earnings Yr. %	18.45	18.98	18.05	18.25	18.05	17.88	16.98
P/E Ratio (mkt. val.)	8.02	8.00	8.20	8.11	8.20	8.28	7.50
Debt/Equity	4.116	3.770	3.994	4.551	5.299	4.808	6.280
Equity Turnover	35.32	39.97	38.29	36.44	35.06	36.82	36.82
Equity Margins	10.22	10.24	11.21	10.24	10.24	10.24	10.24

HIGHS AND LOWS

	High	Low	High	Low
Govt. Sec.	62.21	60.19	61.74	61.52
Fixed Int.	64.43	59.75	61.24	61.21
Ind. Ord.	420.8	350.8	356.3	352.4
Gold Mines	246.9	78.8	86.8	78.8

S.E. ACTIVITY

	Aug. 31	Aug. 27
Govt. Sec.	154.8	154.1
Fixed Int.	57.2	56.1
Ind. Ord.	156.2	150.4
Gold Mines	123.5	123.5

BASE LENDING RATES

	Rate
Allied Irish Banks Ltd.	10 1/2 %
American Express Bank	10 1/2 %
Anglo-Portuguese Bank	10 1/2 %
Bank of Australia	10 1/2 %
Bank of Cyprus	10 1/2 %
Bank of N.S.W.	10 1/2 %
Bank of Rome S.A.	10 1/2 %
Barclays Bank	10 1/2 %
Barnett Christie Ltd.	10 1/2 %
Brenner Holdings Ltd.	10 1/2 %
British Bank of India	10 1/2 %
British Shipley	10 1/2 %
Canada Permanent AFI	10 1/2 %
Capitol C & C Fin. Ltd.	10 1/2 %
Cayzer, Sowter Co. Ltd.	10 1/2 %
Cedar Holdings	10 1/2 %
Charterhouse Japhet	10 1/2 %
C. Coates	10 1/2 %
Consolidated Credits	10 1/2 %
Co-operative Bank	10 1/2 %
Corinthian Securities	10 1/2 %
Credit Lyonnais	10 1/2 %
G. R. Davis	10 1/2 %
Duncan Lawrie	10 1/2 %
Eagle Trust	10 1/2 %
English Transact	10 1/2 %
First London Secs.	10 1/2 %
First Nat. Fin. Corp.	10 1/2 %
First Nat. Secs. Ltd.	10 1/2 %
Godny Gibbs	10 1/2 %
Grange Durrant Trust	10 1/2 %
Grange Guaranty	10 1/2 %
Grindlays Bank	10 1/2 %
Guinness Mahon	10 1/2 %
Hambro Bank	10 1/2 %
Hill Samuel	10 1/2 %
C. Hoare & Co.	10 1/2 %
Julian S. Rodge	10 1/2 %
Hongkong & Shanghai	10 1/2 %
Industrial Bank of Scot.	10 1/2 %
Keyser Ullmann	10 1/2 %
Knights & Co. Ltd.	10 1/2 %
Lloyds Bank	10 1/2 %
London & European	10 1/2 %
London Mercantile	10 1/2 %
Midland Bank	10 1/2 %
Samuel Montagu	10 1/2 %
Morgan Grenfell	10 1/2 %
National Westminster	10 1/2 %
Northern Comm. Trust	10 1/2 %
Norwich General Trust	10 1/2 %
Portman Guaranty	10 1/2 %
P. S. Robson & Co.	10 1/2 %
Rossminster Accept.	10 1/2 %
Schlesinger Limited	10 1/2 %
E. S. Schwab	10 1/2 %
Security Trust Co. Ltd.	10 1/2 %
Shenley Trust	10 1/2 %
Standard Chartered	10 1/2 %
Trade Development Bk.	10 1/2 %
Twentieth Century Bk.	10 1/2 %
United Bank of Kuwait	10 1/2 %
Whiteaway Laidlaw	10 1/2 %
Williams & Glyn's	10 1/2 %
Yorkshire Bank	10 1/2 %

MONTHLY AVERAGES OF STOCK INDICES

	Aug.	July	June	May
Govt. Sec.	62.01	62.42	62.7	62.7
Fixed Int.	61.26	61.29	61.26	61.26
Industrial	356.1	352.4	352.4	352.4
Gold Mines	86.8	86.8	86.8	86.8

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	1	0
Govt. Sec.	1	1	0
Industrial	125	125	125
Financial and Prov.	4	176	39
Gold	3	2	2
Platinum	4	2	2
Mines	4	2	2
Total	240	483	1727

MONEY MARKET

Adequate credit supply

Bank of England minimum revenue payments to the Exchequer. These outflows, net market take-up of Treasury bills and a fall in the note circulation in the London money market yesterday and the authorities' call loans in the interbank market over-

Option Report—3-month Call Rates

Option	Dealing Dates	First Last	Declar. Last	Settle- ment
Oil, Atlantic Assets, Shell Trans-	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.
Parsons	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.
Combined English	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.
Beaverbrook "A"	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.
Burmah Oil, MEPC, Consolidated	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.
Gold Fields, EMPI and the Con-	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.	11 Nov. 25 Dec.

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	Rate
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American Express Bank	10 1/2 %
Anglo-Portuguese Bank	10

INDICES

E. ACTIVE

LENDING
RATES -

[illegible]

With effect from 20th September, 1976 the London Bearer Reception Office of Charter Consolidated Limited, at present situated at 7 Rolls Buildings, Fetter Lane, London EC4A 1HX will be at 40 Holborn Viaduct, London EC1P 1AJ.

African & European Investment Company Limited
Anglo American Corporation of South Africa, Limited
The Central Mining & Investment Corporation Limited
Charter Consolidated Limited
City Deep Limited

*** September, 1976**

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NOTES

IRLSTS—Continued[illegible][illegible]

